



**DEPARTMENT OF DEFENSE**

**FINANCIAL MANAGEMENT REGULATION**

**VOLUME 2B: “BUDGET FORMULATION AND  
PRESENTATION (CHAPTERS 4-19)”**

**UNDER SECRETARY OF DEFENSE  
(COMPTROLLER)**

**VOLUME 2B, CHAPTER 4: “PROCUREMENT APPROPRIATIONS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated July 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Date Refresh	Refresh
Overall	Removed reference to biennial budget	Update
040104	Guard and Reserve Procurement	Update
0402	Added reference to the Select and Native Programming (SNaP) data input system	Addition
0402	Added the Multiyear Procurement (MYP) Exhibit SNaP Data Input Requirements	Addition
0402	Added reference to the Multiyear Procurement Contract Summary Report	Addition
040502	Exhibit P1-C, Procurement Program - Comparison Report	Update
040502	Updated MYP 1-4 Exhibits	Update
040502	Added MYP Contract Summary Report Requirements	Addition

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## CHAPTER 4

PROCUREMENT APPROPRIATIONS

## 0401 GENERAL

## 040101. Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for procurement and production activities.

## 040102. Submission Requirements

A. General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. Chapter 4 covers specific backup material requirements for procurement accounts. The procurement accounts should also submit applicable exhibits required by other chapters in the Financial Management Regulation.

B. Military Departments and Defense Agencies will be responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Freedom of Information and Security Review, prior to transmittal to the Office of Management and Budget (OMB) and the congressional committees.

## 040103. Not Used

## 040104. Guard and Reserve Procurement

A. **Exhibit P-1R, Procurement Program - Reserve Components.** A separate P-1R exhibit showing **all investment funding allocated for National Guard and Reserve Component equipment, to include** quantities and costs of procurement items, will be prepared **by the Services and SOCOM** with the **program and budget review** submission. The P-1R exhibit is a subset of the Exhibit P-1, Procurement Program. The format is contained in Section 040502. Each Service will provide exhibits in spreadsheet format both electronically and in hard copy. Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) will consolidate the information into a single P-1R exhibit **for the President's budget submission.**

B. **In addition, all supporting Procurement justification documentation will annotate equipment allocated to the National Guard and Reserves. Specifically, the P-40 Budget Item Justification exhibit and the P-21 Production Schedule exhibit must contain a non-add memo entry indicating the funding and delivery schedule for all of the items being procured for allocation to the National Guard and Reserve Components. This data must balance to the data submitted in PRCP for the Procurement Annex and the P-1R. Separate budget exhibits may be prepared to provide this information if these forms cannot be manipulated to portray this required non-add memo entry information.**

## 040105. Subsystem Budget Estimates

Any platform that includes funding for subsystems that are designated as Defense Acquisition Executive Summary or Selected Acquisition Reporting programs must identify the specific subsystem funding by fiscal year and by subsystem on the P-5 exhibits.

## 040106. References

Volume 2A, Chapter 1, Section 0102, provides policies and definitions concerning costs that are to be financed by the procurement appropriations.

## 0402 PROCUREMENT EXHIBIT REQUIREMENTS

**SUMMARY OF EXHIBIT REQUIREMENTS**

<b><u>Exhibit</u></b>	<b><u>Appropriation</u></b>
P-1 Procurement Program	All
P-1C Procurement Program - Comparison Report	All
P-1M Procurement Program- Modification Summary	Aircraft/Missiles
P-1R Procurement Program-Reserve Components	All, except SCN
P-3a Individual Modification Program	All, except SCN
P-5 Cost Analysis	All
P-5a Procurement History and Planning	All, except SCN
P-5b Analysis of Cost Estimates-Basic/Escalation	SCN
P-8a Analysis of Ship Cost Estimates - Major Equipment	SCN
P-10 Advance Procurement Requirements Analysis	All, as applicable
P-17 Layaway and/or Distribution	All, as applicable
P-18 Initial and Replenishment Spares Requirements	All, except SCN
P-20 Requirements Study	All, as applicable
P-21 Production Schedule	All
P-23 Time Phased Requirements Schedule	All, as applicable
P-23a Installations Data	All, as applicable
P-25 Production Support & Industrial Facilities Cost Analysis	All, as applicable
P-26 Maintenance of Inactive Facilities	PAA & as applicable
P-27 SCN Ship Production Schedule	SCN
P-29 SCN Outfitting Costs	SCN
P-29a SCN Outfitting Costs-Comparison	SCN
P-30 SCN Post Delivery Costs	SCN
P-30a SCN Post Delivery Costs-Comparison	SCN
P-35 Major Ship Component Fact Sheet	SCN
P-36 Depot Level Ship Maintenance Schedule	OPN
P-40 Budget Item Justification Sheet	All
P-40a Budget Item Justification for Aggregated Items	All

Automated Exhibit Submissions

MYP-1 Multiyear Procurement Criteria (SNaP)	All, as applicable
MYP-2 Total Program Funding Plan (SNaP)	All, as applicable
MYP-3 Contract Funding Plan (SNaP)	All, as applicable
MYP-4 Present Value Analysis (SNaP)	All, as applicable
Multiyear Procurement Contract Summary Report	All, as applicable

## 0403 PROGRAM AND BUDGET REVIEW SUBMISSION

## 040301. Purpose

This section prescribes instructions for the preparation and submission of the budget estimates for the procurement appropriations. Unless otherwise specified, these instructions apply to all procurement appropriations and to all budgets. See Volume 2A, Chapter 1. Section 0104, for specific printing requirements.

## 040302. Submission Requirements

A. This Section provides guidance for the preparation of material to support the program and budget review submission and President's budget request. Information contained in the budget requests should be unclassified. Where classified information is required in order to explain the program, the classified material will be provided under separate cover and appropriately marked. For publishing justification material on the [OUSD\(C\) web site](#), Services and Defense Agencies are to submit an electronic copy, in portable document format, of the final President's budget justification material.

B. Each backup book will include an Exhibit P-1, Procurement Program, specific exhibits for those items covered by the backup book, and a listing of acronyms and definitions in the front of each backup book to preclude spelling the acronyms on each exhibit page.

C. All applicable budget exhibits will be prepared for those programs with a funding value of \$5 million or greater. For programs with a funding value less than \$5 million, only the P-40 and P-40a exhibits are required.

D. All Exhibit P-20s, Requirements Study, can be submitted in a separate backup book. The P-20 exhibits can also be consolidated by appropriation or as a single backup book by each Service or Agency. If consolidated by Service, however, increase the number of copies provided to OUSD(C) Program/Budget (P/B) Investment by the number of appropriations included in the backup book.

E. Exhibits will display the actual fiscal years (i.e., prior years (PYs), [past year \(PY\) FY 2010](#), current year (CY) [FY 2011](#), budget year (BY) [FY 2012](#), and [out years FY 2013, FY 2014, FY 2015, and FY 2016](#)) rather than the template entries (i.e., PYs, PY, current year (CY), budget year (BY), BY+1, BY+2, BY+3, and BY+4).

F. If an amended budget is submitted, identify the revised budget exhibits accordingly.

G. All pages will be annotated with the applicable P-1 line item number and page number within the line item (Item 1-1 of 5, 1-2 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center or bottom right of each exhibit page. Be consistent for all pages of the backup book.

H. The exhibits will be aggregated in the following order for each P-1 line item, as applicable to that line item and submitted in P-1 line item order.

#### Arrangement of Exhibits - General

P-1	Procurement Program
P-1C	Procurement Program - Comparison Report
P-1R	Procurement Program - Guard and Reserve
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
P-23	Time Phased Requirements Schedule
P-23a	Installations Data
P-36	Depot Level Ship Maintenance Schedule (OPN only)
P-25	Production Support and Industrial Facilities Cost Analysis
P-17	Layaway and/or Distribution
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study

#### Arrangement of Exhibits for Modifications

P-1	Procurement Program
P-1M	Modification Summary
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement Analysis
P-3a	Individual Modification Program
P-40a	Budget Item Just for Aggregated Items

#### Arrangement for Ship Procurement Accounts

P-1	Procurement Program
P-1C	Procurement Program - Comparison Report
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5b	Analysis of Cost Estimate-Basic/Escalation



P-27	Ship Production Schedule
P-8a	Analysis of Ship Cost Estimates - Major Equipment
P-29	Outfitting Costs
P-30	Post Delivery Estimates
P-35	Major Ship Component Fact Sheet

#### Arrangement for Ammunition Accounts

P-1	Procurement Program
P-1C	Procurement Program - Comparison Report
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule
MYP 1-4	Multiyear Procurement Analysis
P-25	Production Support and Industrial Facilities Cost Analysis
P-17	Layaway and/or Distribution
P-26	Maintenance of Inactive Facilities
P-18	Initial and Replenishment Spares Requirements
P-20	Requirements Study

For ammunition "Items Under \$5 Million" P-1 line items, only the P-40 and P-40a, showing both quantity and funding for each item, will be included in the backup book.

#### Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (Research, Development, Test, and Evaluation (RDT&E), procurement, and Operation and Maintenance (O&M)) in separate budget activities. While the RDT&E and O&M efforts may be incrementally funded, the procurement program must comply with the full funding policy. The Army is to provide the justification book in the following [order](#):

Table of Contents

Appropriation Language

Program and Financing

Object Classification

Appropriation Justification

Part I Purpose and Scope

Part II Justification of Funds Required

Part III Program Description and Milestone Chart

#### Budget Activity 1: Research and Development

Part I Purpose and Scope

Part II Justification of Funds Required

Part III Financial Summary

RDT&E            RDT&E Exhibits (See Chapter 5)

Budget Activity 2: Procurement

Part I            Purpose and Scope  
 Part II           Justification of Funds Required  
 Part III          Financial Summary  
 P-40            Budget Item Justification  
 P-5             Cost Analysis  
 P-5a            Procurement History & Planning

Budget Activity 3: Operation and Maintenance

Part I            Purpose and Scope  
 Part II           Justification of Funds Required  
 Part III          Financial Summary  
 OP-5 (Pt 1)    Decision Unit/Budget Activity Summary (See Volume 2A, Chapter 3)  
 OP-5 (Pt 2)    Activity Group Detail, Including a Reconciliation of Increases and  
                      Decreases (See Volume 2A, Chapter 3)  
 OP-32           Summary of Price and Program Changes (See Volume 2A, Chapter 3)

I.     Preparation of Material.    Formats and examples of the exhibits are contained in Section 0404. Except for the items listed below, instructions are included either on the exhibit or following the exhibit.

1.     A 4-column ship list and Derivation of Cost Growth/Escalation exhibit will be provided with each budget submission.

2.     For each ship basic construction award during the current program period, contract award information referred to as the “Stevens Report” must be submitted to Office of the Secretary of Defense at the same time the report is forwarded to Congress.

J.     Armament Retooling and Manufacturing Support (ARMS) Program/Procurement of Ammunition, Army - OMB Circular No. A-11 Requirements

The Army is required to submit the following exhibits required by Office of Management and Budget (OMB) Circular A-11 for the Armament Retooling and Manufacturing Support (ARMS) program. Consult OMB Circular No. A-11, Section 85 for instructions pertaining to the completion of the required exhibits. For completion of OMB submission requirements, as well as apportionment to be approved by OUSD(C) for the ARMS guarantee loan program, each individual loan must be supported by the following exhibits:

1.     A narrative statement describing the location, name of business, kind of business, name of lender, and guaranteed loan terms, the government's subsidy cost and rate; and the Army's point of contact at the site and at Army Materiel Command.

2. Schedule P: Program and Financing Schedule for the ARMS Initiative Guaranteed Loan Financing Account (one for each guarantee).

3. Schedule H: Status of Guaranteed Loans (one for each guarantee).

4. Schedule F: Balance Sheet (one for each guarantee).

5. Schedule U: Summary of Loan Levels and Subsidy Data (one for each guarantee and one consolidated).

040303. Classification

The budget justification material should be unclassified. All classified material should be submitted separately.

0404 CONGRESSIONAL JUSTIFICATION/PRESENTATION

040401. Purpose

This Section presents the backup book organization and the exhibit requirements for submission to Congress. Examples of budget exhibits can be found in Section 040502. See Volume 2A, Chapter 1, Section 0104 for specific printing requirements.

040402. Organization of Justification Books

Justification material will be organized into a Committee Staff Procurement Backup Book. Volume 2A, Chapter 1, Section 010403 provides a detailed distribution schedule for the procurement backup books. A separate congressional committee backup book will be prepared for the President's budget request for each procurement appropriation. Each backup book will include a discussion of performance metrics in support of requests for program resources, as prescribed in Volume 2A, Chapter 1, Section 010109. Where programs have participated with OMB in the completion of the Program Assessment Rating Tool (PART), the PART summary may be included to fulfill this requirement. Components may also use existing performance measures or create new ones in compliance with this requirement. The [procurement backup](#) books should be assembled as follows:

Committee Staff Procurement Backup Book  
FY 20BY Budget Request  
Appropriation

Section 1 - Summary Material

Table of Contents

P-1 listing (P-1 Exhibits will be prepared using the OUSD(C) automated system with input from the Services and Defense Agencies)

Section 2 - Budget Appendix Extract Language

Section 3 - Status of Completion of Prior Year Shipbuilding Program (SCN) backup book only). Provide a list of incomplete ships as of Dec 31, 20PY. The first column will segregate the incomplete ships by prior years, p year, and current year. The second and subsequent columns will identify the fiscal year in which the ships are to be completed. The final column will specify the percent complete for each ship.

Section 4 - P-1 Line Item Detail. Except for specific changes addressed below, the procurement backup books will contain the budget exhibits as specified in Section 040502, for all procurement line items for which a budget request of \$5 million or greater is reflected in the budget year on the P-1 exhibit. For programs with a funding value less than \$5 million, only the P-40 and P-40a exhibits are required. For current and past year program, exhibits will be prepared for programs with a dollar value of \$5 million or more in either year. The exhibits will be aggregated in the following order for each P-1 line item, as applicable to that line item and submitted in P-1 line item order.

Arrangement of Exhibits - General

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5a	Procurement History and Planning
P-21	Production Schedule (for ACAT I programs only)
P-25	Production Support and Industrial Facilities Cost Analysis
P-17	Layaway and/or Distribution
P-18	Initial and Replenishment Spares Requirements

Arrangement of Exhibits for Modifications

P-1	Procurement Program
P-1M	Modification Summary
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement Analysis
P-3a	Individual Modification Program
P-40a	Budget Item Just for Aggregated Items

Arrangement for Ship Procurement Accounts

P-1	Procurement Program
P-40	Budget Item Justification
MYP 1-4	Multiyear Procurement Analysis
P-10	Advance Procurement Analysis
P-5	Cost Analysis
P-5b	Analysis of Cost Estimate-Basic/Escalation

P-27	Ship Production Schedule
P-8a	Analysis of Ship Cost Estimates - Major Equipment
P-29	Outfitting Costs
P-30	Post Delivery Estimates
P-35	Major Ship Component Fact Sheet

#### Arrangement for Ammunition Accounts

P-1	Procurement Program
P-40	Budget Item Justification
P-40a	Budget Item Just for Aggregated Items
P-5	Cost Analysis
P-5a	Procurement History and Planning
MYP 1-4	Multiyear Procurement Analysis
P-25	Production Support and Industrial Facilities Cost Analysis

#### Chemical Agents and Munitions Destruction

The Chemical Agents and Munitions Destruction, Defense appropriation contains multiple types of funds (RDT&E, procurement, and O&M) in separate budget activities. While the RDT&E and O&M efforts may be incrementally funded, the procurement program must comply with the full funding policy. The Army is to provide the justification book in the following [order](#):

Table of Contents

Appropriation Language

Program and Financing

Object Classification

Appropriation Justification

Part I Purpose and Scope

Part II Justification of Funds Required

Part III Program Description and Milestone Chart

<u>Budget Activity 1:</u>	Research and Development
Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
RDT&E	RDT&E Exhibits (See Volume 2B, Chapter 5)

<u>Budget Activity 2:</u>	Procurement
Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
P-40	Budget Item Justification
P-5	Cost Analysis
P-5a	Procurement History & Planning

<u>Budget Activity 3:</u>	Operation and Maintenance
Part I	Purpose and Scope
Part II	Justification of Funds Required
Part III	Financial Summary
OP-5 (Pt 1)	Decision Unit/Budget Activity Summary (See Volume 2A, Chapter 3)
OP-5 (Pt 2)	Activity Group Detail, Including a Reconciliation of Increases and Decreases (See Volume 2A, Chapter 3)
OP-32	Summary of Price and Program Changes (See Volume 2A, Chapter 3)

Section 5 - Military Construction. This section will be prepared for military construction projects (DD Form 1391) funded in the procurement appropriations.

040403. Classification

The budget justification material should be unclassified. All classified material should be submitted separately.

040404. Not used

#### 0405 PROCUREMENT APPROPRIATION SUBMISSION FORMATS

040501. Purpose

A. The procurement appropriation submission formats standardize the display of the program and budget review submission for effective and efficient budget formulation, review, analysis, and submission. The exhibit formats provided on the following pages reflect guidance presented in previous sections.

B. Budget exhibits contained in this section will be prepared for all procurement line items with a budget request of \$5 million or greater in the budget year on the P-1 exhibit. For programs with a funding value less than \$5 million, only the P-40 and P-40a exhibits are required.

C. Service-generated and Defense Agency-generated exhibits can be used in lieu of the following exhibits as long as they include all the information required by the following exhibits.

D. All formats will be prepared on 8 1/2 inch by 11 inch paper in landscape format.

E. Except for paragraph C above and unless modified in a submission budget call, these exhibits should be adhered to.

## 040502. Exhibits in Support of Section 0401 – General

There are thirty-one (31) procurement exhibits that support the formulation and submission of the President's budget request. The exhibits provide data and information that justifies budgetary requirements for the various procurement appropriations. Exhibits are listed below.

Exhibit P-1, Procurement Program	15
Exhibit P-1C, Procurement Program - Comparison Report	16
Exhibit P-1M, Procurement Programs - Modification Summary	17
Exhibit P-1R Procurement Program - Reserve Components	18
Exhibit P-3a, Individual Modification	23
Exhibit P-5, Cost Analysis	28
Exhibit P-5a, Procurement History and Planning	37
Exhibit P-5b, Analysis of Ship Cost Estimate - Basic/Escalation	41
Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment	42
Exhibit P-10, Advance Procurement Requirements Analysis	43
Exhibit P-17, Layaway and/or Distribution	51
Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification	53
Exhibit P-20, Requirements Study	55
Exhibit P-21, Production Schedule	59
Exhibit P-23, Time Phased Requirements Schedule	62
Exhibit P-23a, Installation Data	63
Exhibit P-25, Production Support and Industrial Facilities Cost Analysis	66
Exhibit P-26, Maintenance of Inactive Facilities	68
Exhibit P-27, SCN - Ship Production Schedule	70
Exhibit P-29, SCN Outfitting Costs	71
Exhibit P-29a, SCN Outfitting Costs-Comparison	72
Exhibit P-30, SCN Post Delivery Costs	73
Exhibit P-30a, SCN Post Delivery Costs-Comparison	74
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Exhibit P-36, Depot Level Ship Maintenance Schedule	77
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Exhibit MYP-4, Present Value Analysis (SNaP)	97

Exhibit P-1

**Exhibit P-1, Procurement Program****Department of the** \_\_\_\_\_**Appropriation:** \_\_\_\_\_**Date:** \_\_\_\_\_**Budget Activity:** \_\_\_\_\_

<u>P-1 Line</u> <u>Item No</u>	<u>Item</u> <u>Nomenclature</u>	<u>Ident</u> <u>Code</u>	<u>TOA, \$ in Millions</u>					
			<u>Past Year</u>	<u>Cost</u>	<u>Current Year</u>		<u>Budget Year</u>	
			<u>Qty</u>		<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Exhibit P-1, Procurement Program  
(Exhibit P-1, page 1 of 8)



## Exhibit P-1C, Procurement Program - Comparison Report

## Exhibit P-1C, Procurement Program - Comparison Report

Department of the \_\_\_\_\_

<u>Line</u> <u>No.</u>	<u>Appn</u>	<u>Budget</u> <u>Activity</u>	<u>Program</u> <u>Element</u>	<u>Program</u> <u>Element</u> <u>Title</u>	<u>Submission</u>	<u>PY</u>		<u>CY</u>		<u>BY</u>		<u>BY+1</u>		<u>BY+2</u>		<u>BY+3</u>		<u>BY+4</u>	
						<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>
xxx	xxxx	xx	xxxxxx	xxxxxx	Current														
					Previous														
					Change														

Exhibit P-1C, Procurement Program - Comparison Report

(Exhibit P-1, page 2 of 8)

Exhibit P-1M

**Exhibit P-1M, Procurement Programs - Modification Summary**  
(TOA, \$ in Millions)

<u>System/ Modification</u>	<u>Prior Years</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>	<u>To Complete</u>	<u>Total Program</u>
EXAMPLE:										
<u>A-10 Modifications</u>										
AIM-9L Capability				x.x	x.x				xx.x	
Chem/Bio Protection				-	x.x	x.x			x.x	
Outer Wing Fatigue Reskin					x.x	x.x				x.x
Integrated Drive Generator					-	x.x	x.x	x.x		xx.x
ALE-40 Correction of Def						x.x	x.x			xx.x
Engine Monitoring Sys				xx.x		xx.x	xx.x		xxx.x	
Skin & Lgnrn Strengthening					-	x.x	x.x		x.x	x.x
Total for A-10				xx.x		xx.x	xx.x	x.x	xxx.x	
<u>S-3 Modifications</u>										
AIM-9L Capability				x.x		x.x			xx.x	
Chem/Bio Protection				-		x.x			x.x	
Total for S-3				x.x		1xx.x			xx.x	

**Exhibit P-1M, Procurement Program - Modification Summary**  
(Exhibit P-1, page 3 of 8)

Exhibit P-1R

**Exhibit P-1R Procurement Program - Reserve Components**

Department of the \_\_\_\_\_

Appropriation: \_\_\_\_\_

Date: \_\_\_\_\_

Budget Activity: \_\_\_\_\_

P-1 Line Item No	Item Nomenclature	Indent Code	TOA, \$ in Millions													
			PY		CY		BY		BY +1		BY +2		BY +3		BY +4	
			Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost

Examples:

F-16 Modifications

National Guard

Reserve

**Exhibit P-1R, Procurement Program- Reserve Components**

(Exhibit P-1, page 4 of 8)

InstructionsExhibit P-1, Procurement ProgramExhibit P-1C, Procurement Program - ComparisonExhibit P-1M, Procurement Program - Modification SummaryExhibit P-1R, Procurement Program - Reserve Components

## General.

A. A summary by budget project/activity will be prepared for each appropriation, showing the amount for each project/activity and the total program for each appropriation. The detail of the consolidated line items in this entry should be available upon request. There should be no consolidation into a "Less than \$5.0 million" line item for any line item requiring specific quantity authorization and for any Code B item.

B. Unless otherwise prescribed for a specific commodity area, only procurement line items with funding of \$5.0 million or more will be listed individually. An item should be separately listed if funding of more than \$5.0 million is included in any past or current year. Items less than \$5.0 million should be consolidated into a single line item entry, "Items less than \$5.0 million," under each budget activity.

Exhibit P-1, Procurement Program Instructions

Advance Procurement. Advance procurement should be debited and credited according to the lead-times of the advance procurement. For instance, if FY 2008 and FY 2009 advance procurement funds are required for an FY 2010 procurement, the FY 2008 Advanced Procurement funds would be debited in FY 2008, the FY 2009 Advanced Procurement funds would be debited in FY 2009, and the total of the FY 2008 and FY 2009 Advanced Procurement funds would be credited in FY 2010.

## Advance Procurement

<b>FY TOA</b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>
FY 2008 for FY 2010 (memo)	.x					
FY 2009 for FY 2010 (memo)		.x				
FY 2009 for FY 2011 (memo)		x				
FY 2010 (memo)			-.x			
FY 2010 for FY 2011 (memo)			.x			
FY 2010 for FY 2012 (memo)			.x			
FY 2011(memo)				-x		
FY 2011 for FY 2012 (memo)				x		
FY 2011 for FY 2013 (memo)				x		
FY 2012(memo)					-x	
FY 2012 for FY 2013 (memo)					x	
FY 2012 for FY 2013 (memo)					x	
FY 2013(memo)						-x
FY 2013 for FY 2014 (memo)						x
FY 2013 for FY 2014 (memo)						x

(Exhibit P-1, page 5 of 8)

Exhibit P-1 Instructions (Continued)

List each aircraft and missile type and model separately, for both new procurement and modifications. Each ship type, Outfitting, Post Delivery, Cost Growth, Escalation, Service Craft, and Landing Craft will be listed as separate line items.

Include initial and replenishment spares financed in procurement appropriations in a single line item. Indicate the amounts included for initial and replenishment spares separately as subentries. For this purpose, all spare aircraft engines shall be considered initial spares.

All line items will be double spaced.

Costs will be expressed in millions of dollars using one decimal place, i.e.:

(\$ in millions)  
15.6

List the following Support Equipment and Facilities as separate line items:

Common Ground Equipment  
Industrial Facilities  
War Consumables  
Other Production Charges  
Classified Projects  
Production Base Support  
Space Programs (list separately)  
Astronautics

Specific instructions.

Appropriation. Include the title and number of the appropriation, i.e., 2034A, Procurement of Ammunition, Army.

Budget Activity. Include the number and title of the budget activity, i.e., Budget Activity 04, Spare and Repair Parts.

Column 1: Include the P-1 line item number.

Column 2: Item Nomenclature. Identify the name of the program.

Column 3: Identification Code. The letter "A" or "B" will be entered in this column. Line items will be appropriately coded according to the status of the item at the time the exhibit is prepared as follows:

Code "A". Line items of material that have been approved for Service use. The term "approved for service use" means that:

Exhibit P-1 Instructions (Continued)

Army. The item has been "type-classified as adopted type" (Standard) and excludes Limited Production type that is included in the development category.

Navy. The item has been approved for full rate production.

Air Force. The item has been approved for full rate production.

USSOCOM. The system is effective, suitable, safe, and logistically supportable. Release for Special Operations Forces is in conjunction with Milestone III production decision.

Code "B". Line items or material that has not been approved for Service use.

Columns 4-11: Self-explanatory.

Exhibit P-1C, Procurement Program - Comparison Report [Instructions](#)

The [Exhibit P-1C Procurement Program - Comparison Report](#) [provides comparisons for trend analysis](#). This report will not be included in the justification material provided to the Congress.

[Two Exhibit P-1C Procurement Program - Comparison Reports are required](#). The first report [compares the](#) previous President's budget request to the program and budget review submission for the program years [and is submitted](#) directly to OUSD(C), Director for Investment, at the same time the budget material is delivered for the program and budget review. [The Second report compares the](#) previous President's budget submission to the current President's budget submission [and is submitted](#) directly to OUSD(C), Director for Investment, when the Component has finalized the current President's budget submission but no later than when the justification material receives final approval from the OUSD(C) for submission to the Congress.

The comparisons should be performed at the lowest level (by Procurement line item), include quantities, and identify the changes for each Procurement appropriation by P-1 line item and for those items that are aggregated in a P-1 line item (such as "Items Less than \$5.0 Million). The report should also identify appropriation and budget activity totals for each fiscal year for the PY through [BY+4](#) timeframe. Each Component will provide 3 copies of each Exhibit P-1C Procurement Program.

Exhibit P-1M, Procurement Program - Modification Summary [Instructions](#)

This exhibit will be prepared for all years reflected on the sample P-1M exhibit and will represent a summary by weapon system of all individual modifications that are requested for that weapon system.

Show the total procurement cost in millions using at least one decimal place for each individual modification and total cost for that weapon system or family of models of that weapon system. For example, all models of the F-4 aircraft would be included in the F-4 line (e.g. RF-4B, F-4B, F-4E, F-4G, etc., and all models of the AIM-7 missile would be included in the AIM-7 line (e.g. AIM-7E, AIM-7F, AIM-7M, etc.). Total modification cost will include only those costs budgeted in the individual P-1 line item, including installation costs.

(Exhibit P-1, page [7](#) of [8](#))

Exhibit P-1R, Procurement Program - Reserve Components [Instructions](#)

In addition to the instructions for the P-1, Procurement Program, the P-1R line item entries will be exactly the same line item entries as the P-1. The Exhibit P-1R line items will include 2 sub-line items. One is for the National Guard and one is for the Reserve. Subtotal of the two lines is not required, but the total for the Reserve Components cannot exceed the amount of funding included in the P-1 line item. All procurement line items having funding for National Guard and Reserve requirements, including advance procurement, ammunition, and spares and repair parts, will be included in the P-1R exhibit.

(Exhibit P-1, page [8](#) of [8](#))

Exhibit P-3a

**Exhibit P-3a, Individual Modification**

MODELS OF SYSTEMS AFFECTED: \_\_\_\_\_ TYPE MODIFICATION: \_\_\_\_\_ MODIFICATION TITLE: \_\_\_\_\_

DESCRIPTION/JUSTIFICATION:

DEVELOPMENT STATUS/MAJOR DEVELOPMENT MILESTONES:

FINANCIAL PLAN: (TOA, \$ in Millions)

	Prior Yrs		PY-1		PY		CY		BY		BY+1		BY+2		BY+3		BY+4		TC		Total	
	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$
RDT&E																						
PROC																						
A Kit NRE			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
A Kit			25	2.0	10	1.0	15	1.5	15	1.5	25	2.0	25	2.0	25	2.0	90	7.5			255	21.5
Comp A			25	2.5	10	1.0	15	1.5	15	1.5	25	2.5	25	2.5	25	2.5	90	9.0			255	25.5
Comp B			50	1.0	20	0.4	30	0.6	30	0.6	50	1.0	50	1.0	50	1.0	180	3.6			510	10.2
Comp C			75	3.6	30	1.5	45	2.2	45	2.2	45	2.2	45	2.2	45	2.2	270	13.0			765	36.7
Eqpt NRE																						
Eqpt																						
Eqpt A																						
Eqpt B																						
ECP 1 Gp A																						
ECP 1 Gp B																						
ECP 2 Gp A																						
ECP 2 Gp B																						
ECP 3 Gp A																						
ECP 3 Gp B																						
Data																						
Training Eq																						
SE																						
Other																						
Other																						
Other																						
ICS																						
Install Cost					25	.3	10	.1	15	.2	25	.3	25	.3	25	.3	115	1.5			255	3.2
Total Proc																						

P-1 Line- Item No X  
(Page X of X)**Exhibit P-3a, Individual Modification**  
(Exhibit P-3a, page 1 of 5)



Exhibit P-3a (Continued)

**Exhibit P-3a, Individual Modification (Continued)**

MODELS OF SYSTEMS AFFECTED: \_\_\_\_\_ MODIFICATION TITLE: \_\_\_\_\_

INSTALLATION INFORMATION:

METHOD OF IMPLEMENTATION: \_\_\_\_\_

ADMINISTRATIVE LEADTIME: \_\_\_\_\_ Months PRODUCTION LEADTIME: \_\_\_\_\_ Months

CONTRACT DATES: Prior Year: \_\_\_\_\_ Current Year: \_\_\_\_\_ Budget Year 1: \_\_\_\_\_ Budget Year 2: \_\_\_\_\_

DELIVERY DATES: Prior Year: \_\_\_\_\_ Current Year: \_\_\_\_\_ Budget Year 1: \_\_\_\_\_ Budget Year 2: \_\_\_\_\_

(\$ in Millions)

Cost:	Prior Yrs		PY-1		PY		CY		BY		BY+1		BY+2		BY+3		BY+4		TC		Total	
	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$	Qty	\$
(PY-25 kits)					15	0.2	10	0.1														
(FY(CY) 10 kits)									10	0.2												
(FY(BY) - 15 kits)											5	0.1										
(FY(BY+1) - 25 kits)													10	0.2	15	0.3						
etc.																						
					15	0.2	10	0.1	10	0.2	10	0.2	20	0.4	15	0.3						

**Installation Schedule**

	PY	CY				BY				BY+1				BY+2				BY+3 etc.				TC	Total
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
In																							
Out																							

P-1 Line Item No X  
(Page X of X)**Exhibit P-3a, Individual Modification**  
(Exhibit P-3a, page 2 of 5)

Instructions - Exhibit P-3a, Individual Modification

This exhibit will be submitted for all individual modification programs whose costs are greater than \$5.0 million in [the](#) budget year. Because congressional approval must be obtained for new start programs with first year costs of over two million or more than \$10 million within three years, a P-3a must be submitted for specific approval identifying those new start modifications. Use as many pages as necessary.

For Other Procurement appropriations, when only a simple modification kit is being procured and installation is being performed at the organizational level, there is no need to submit an Exhibit P-3a as long as the P-5 and P-21 include the necessary information.

The sample exhibit displays additional line items for equipment and groups A installation kits. Tailor line item entries to the modification content. Use additional lines when quantities for these components differ from the quantity of end items being procured or when a unit cost comparison between years cannot be performed.

Model. Enter the model and series designation (i.e. A-10, AGM-86, F/A-18, etc.).

Classification. Enter the modification classification or type, i.e., safety, reliability, added capability, etc., as applicable.

Modification No. And Title: Identify the modification number and title.

Description/Justification: Provide a description of what additional capability is added to the system by this modification, and why the modification is necessary (i.e., to increase reliability, maintainability, or mission capability). If the modification is related to reliability and maintainability, indicate the current Mean-Time Between Failure (MTBF) rate of the system, what MTBF will be specified in the development/production contract, and the estimated annual savings. Identify all engineering change proposals included in the modification and provide a brief description of each and how they relate to the particular overall effort. Identify the operational requirement document (ORD) that validates the modification. Identify the quantity of aircraft in the inventory and the quantity that will receive the modification, as identified in the ORD. For example, the total objective for a radar modification might be 75 units at an estimated unit cost of \$300,000 each or total cost of \$23.5 million. Twenty units have been procured in prior years, 10 units are included in the budget year leaving 45 units to be procured in subsequent years. Identify when a different number of Group A and Group B kits are being procured (the ORD should also include this information). Identify the applicable quantity of National Guard and Reserve end items [ensuring quantities and costs match the P-1R](#). Do not use abbreviations or acronyms of a highly technical nature. Spell the acronyms the first time and abbreviate thereafter.

Development Status/Major Development Milestones: Provide status of engineering effort testing and data package availability as of the budget submission date. Provide significant accomplished and planned milestone dates such as Preliminary Design Review (PDR), Critical Design Review

(Exhibit P-3a, page 3 of 5)

**Exhibit P-3a Instructions (Continued)**

(CDR), completion of Contractor Test and Evaluation (CTE), completion of Development Test and Evaluation (DTE), completion of Initial Operational Test and Evaluation (IOT&E), etc.

**Financial Plan:**

**Note:** Prior year column includes all funding from beginning of program through the Past Year - 2 (PY-2). Quantities and costs should be provided for all applicable line items. PY-1, PY, and CY are the fiscal years currently available for obligation.

**RDT&E:** Enter programmed RDT&E resources by fiscal year. These resources should be consistent with the Program Element Summary Data Sheets for RDT&E programs.

**Procurement:** Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements or modification content. Use as many line items as necessary to show this data. Enter the recurring and nonrecurring cost of the installation kits. Installation kits (Group A kits) are the provisions (cables, brackets, interface devices) necessary to prepare the system to accept the new equipment. Enter the recurring and nonrecurring cost of the equipment (Group B kits) to be installed (radar, ECM, engine etc.). If different quantities of kits are being procured for various engineering change proposals within a modification (or operational system improvement program), list the ECP A kit and ECP B kit as separate line item entries (i.e., a line item for the A kit and a line item for the B kit). Do not use an asterisk to indicate that the quantity cannot be shown because a mix of end items with different procurement quantities is being procured. This precludes the need for an addendum and presents all cost information together. Exhibits should reflect all costs and quantities from prior years (PYs) through to complete (TC) because modifications procure a finite quantity.

**Installation.** The installation costs should be portrayed in the year of actual installation so that the total cost of the installation is portrayed for each year's procurement of end items. Procurement quantities and installation quantities reflected in the procurement detail should equal the quantity displayed in the installation schedule.

**Method of Implementation:** Indicate how installation will be accomplished (Contractor, Depot field team, Depot modification line, etc.).

**Contract Date:** Enter the actual/estimated contract date (month/year, not quarter) for the item with the longest lead-time.

**Production Delivery Date:** Enter the actual/estimated production delivery dates (month/year, not quarter) for the initial item of installed equipment for the current year **and** budget year.

Exhibit P-3a Instructions (Continued)

Installation Schedule: For all years of the program, show system inductions and modification completions by quarter. An installation schedule is required for all programs requiring installation funds, i.e., if the modification is being installed organically and no installation funds are required, then no schedule is required. The schedule will include completed inductions for total prior years, **past years**, and planned inductions for all uninstalled equipment for CY, BY, BY+1, BY+2, BY+3, and BY+4, To Complete and Total Program. Input and output must equal each other, as well as equal the total quantity of kits procured. Input and output refer to the start and end date of the modification into the aircraft (or end item). This information is required to determine when kits need to be procured. The input and output date is used as a barometer to determine the feasibility of the schedule (and thus, the procurement profile). For ongoing programs, identify the separate program using alpha or alpha-numeric suffixes to the current modification number. Include separate installation schedules for those items that have more than one method of implementation.

The P-3a should be readable after reproducing in a reduction mode. Use more than one page when necessary.

Delete all references and funding for those ECPs that were completed in prior years and for which no current or future year funding is required.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

## Exhibit P-5, Cost Analysis

Exhibit P-5 Cost Analysis				Weapon System				Date:			
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number						D Code		P-1 Line Item Nomenclature			
WBS COST ELEMENTS (Tailor to System/Item Rqmts)	Prior Years Unit Cost	Prior Years Total Cost	PY Unit Cost	PY Total Cost	CY Unit Cost	CY Total Cost	BY1 Unit Cost	BY1 Total Cost			
Quantity											
Airframes/CFE											
Engine/Accessories											
CFE Avionics											
GFE Avionics											
Armament											
ECO (Flyaway)											
Nonrecurring Costs											
Tooling											
Software Costs											
Other Costs											
Subtotal Flyaway											
Airframe PGSE											
Engine PGSE											
Avionics PGSE											
Peculiar Training Eqpt											
Publications/Tech Data											
ECO (Support Items)											
Other											
Subtotal Support Costs											
Gross-P-1 End Item Cost											
Less PY Adv Proc (by PY FY)											
Net P-1 Full Funding Cost											
Plus CY Adv Proc											
Other Non-P-1 Costs											
Initial Spares											
Total											

P-1 Line Item No X  
(Page X of X)

**Exhibit P-5, Cost Analysis**  
(Exhibit P-5, page 1 of 9)

Exhibit P-5, Cost Analysis (Continued)

Exhibit P-5 Cost Analysis (Page 2)			Weapon System			P-1 Line Item Nomenclature				
WBS COST ELEMENTS (Tailor to Sys/Item Rqmts)	BY+1 Unit Cost	BY+1 Total Cost	BY+2 Unit Cost	BY+2 Total Cost	BY+3 Unit Cost	BY+3 Total Cost	BY+4 Unit Cost	BY+4 Total Cost	To Complete Costs	Total Costs
Quantity										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
ECO (Flyaway)										
Nonrecurring Costs										
Tooling										
Software										
Other Costs										
Subtotal Flyaway										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Eqpt										
Publications/Tech Data										
ECO (Support Items)										
Other										
Subtotal Support Costs										
Gross-P-1 End Item Cost										
Less PY Adv Proc (by PY FY)										
Net P-1 Full Funding Cost										
Plus CY Adv Proc										
Other Non-P-1 Costs										
Initial Spares										
Total										

P-1 Line Item No X  
(Page X of X)

Exhibit P-5, Cost Analysis  
(Exhibit P-5, page 2 of 9)

**Instructions - Exhibit P-5, Cost Analysis**

**Purpose.** The purpose of this exhibit is to provide detailed cost information in support of Exhibit P-1 line items consistent with the appropriate work breakdown structure (WBS) elements for the program. It is essential that this exhibit be complete and accurate, as it is the most important exhibit in the backup book. Requirement exhibits and production schedules are related to the entries on this exhibit and it is used as the framework for line item review. The program and budget review submission will include P-5 exhibits containing information for all fiscal years (FYs) from prior years (PYs) through to complete years for all major (Acquisition Category (ACAT) 1) programs and through BY (as a minimum) for all other programs. The President's budget request backup justification books will include P-5 exhibits containing information for the FYs through BY for all programs including ACAT 1 programs. However, a P-5 exhibit (or an AF Form 1537) containing information for all FYs from PYs through to complete years for all ACAT 1 programs will be provided separately to OUSD(C) P/B, Investment Directorate.

**General.** This exhibit will be prepared for all procurement programs for which funding are requested in the P-1. If two or more Services procure the same system, the P-5 exhibit cost elements should be as identical as possible except for Service unique requirements. A P-5 is not required for those programs that use a P-40a to display items included in an aggregated line item or if an Exhibit P-3a Modification Summary, has been prepared for a line item.

**Entries:**

**Heading.** Insert Appropriation, Budget Activity, and identification code (as identified on the P-1) in the appropriate block. Insert the Exhibit P-1 line item title and add after the title the subhead number for the line item in parenthesis.

**Elements of Cost.** Categories of cost shall be tailored to the individual system consistent with the program's approved work breakdown structure (WBS) elements. Standard categories are to be used for similar type systems; i.e. aircraft, ships, missiles, tanks, satellites, ammunition, etc.

**Production support services.** Use generic entries such as Production Engineering, Engineering Services, Quality Assurance, Acceptance Testing, Product Improvement, etc. Include the name of the performing activity (for example, Production Support - NOP Indian Head, or Material Handling - Iowa AAP) only when needed to further clarify the generic categories.

**Quantity/Total Cost entries.** The quantity related to any cost element will be stated in units (not thousands). Only those entries where quantitative measurement is applicable should have entries in the quantity column. For example, the term "1 set" should not be used for publications, entries, documentation, etc. If the item is not subject to quantitative measurement, leave the column blank. The total cost for a cost element entry will be shown in millions, using 3 decimal places, i.e., 1.225. Cost columns will be totaled.

**Advance Procurement Funding.** Add (debit) the advance procurement funding in each fiscal year and subtract the advance procurement funding (credit) from the fiscal year the advance procurement supports. Ensure the credit is against the correct fiscal year (check lead-times). Generally, Advance Procurement debits and credits will net to zero in the "total costs" column.

**Initial Spares.** Add initial spares funding to the net weapon system/end item cost.

(Exhibit P-5, page 3 of 9)

**Exhibit P-5 Instructions (Continued)**

**Unit Cost.** The unit cost should be displayed for each flyaway cost element on the P-5. This should be a manual entry, not computed. Otherwise, there could be lost budget authority if a reviewer (OSD, GAO, or congressional staff) asks to see the unit cost for a particular item from the contract. The last entry line, or overall weapon system unit cost, for each FY is the procurement unit cost.

**Aircraft Cost Element Categories.**

**Airframes/Contractor Furnished Equipment (CFE):** Enter estimate for recurring airframe cost, airframe contractor furnished equipment, and engineering changes.

**Engine/Accessories:** Enter total engine cost including accessories. As part of stub entry, enter quantity of engines per aircraft and indicate model designation including all “dash” designators (example: Engines (4) 53-L-13). Engine unit cost column will reflect the cost of one engine.

**Avionics:** Separately identify CFE and GFE avionics equipment.

**Armament:** Enter costs for all armament.

**Software:** Software costs are to be separately identified.

**Other Government Furnished Equipment (GFE):** Enter costs for all Other GFE.

**Engineering Change Orders (ECOs) - Flyaway:** Include cost of anticipated, but unknown ECOs and value engineering changes for all installed aircraft components (CFE or GFE). ECOs should be funded commensurate with the level of risk in the program.

**Nonrecurring Costs:** Enter total nonrecurring costs associated with production of the flyaway article. Identify and separately display funds budgeted for production tooling in the nonrecurring cost category.

**Other Costs:** Use as many line items as necessary to identify elements and associated costs.

**Airframe Peculiar Ground Support Equipment (PGSE):** Enter cost of peculiar airframe ground support equipment.

**Engine PGSE:** Enter cost of peculiar engine ground support equipment.

**Peculiar Training Equipment:** Enter cost of all peculiar training equipment.

**Publications/Technical Data:** Enter cost of all CFE/GFE publications and technical data.

**ECOs - All Support Items.** Enter cost of ECOs anticipated but unknown for all support and training equipment.

**Other:** Use as many line items as necessary (example: aerial cameras, or jammer transmitter sets, receiver sets or sensor sets for special mission aircraft). These items are not necessarily procured on a one-for-one basis with aircraft.

(Exhibit P-5, page 4 of 9)



**Exhibit P-5 Instructions (Continued) Missile Cost Analysis**

A missile P-5 exhibit will be submitted by all Services for each missile/drone type and model. If more than one model or configuration is procured in the same P-1 line item, then individual P-5 exhibits will be prepared for each model or configuration and a summary P-5 exhibit will also be prepared for the P-1 line item. Weapon systems that are composed of fire units or launchers that are procured in the same P-1 line item as the missile will provide separate cost identification for each vehicle of the fire unit or launching system (launcher, launch control center, radar set, vehicle, etc.). The cost categories on the P-5 exhibit represent a number of elements and the list should be tailored as appropriate to adequately depict the missile system cost. The flexibility exists to revise the elements to depict unique system characteristics, but a comparable cost detail to that shown in the P-5 exhibit format should be maintained.

**Missile P-5 Cost Element Categories****Missile Hardware - Recurring**

- Airframe
- Propulsion (By stage, where applicable)
- Target Detection Device
- Guidance & Control
- Warhead
- Fuze
- Safe & Arm
- Engineering Change Orders  
(Value Engineering)
- Government Costs
  - Integration & Assembly (Labs, etc.)
  - Acceptance Test Program
- Other (Specify)
- Subtotal Missile Hardware

**Nonrecurring and Ancillary Equipment**

- Tooling and Test Equipment
- Missile Ancillary Hardware  
(Containers, etc.)
- Total Missile Flyaway

**Command and Launch Hardware**

- Launcher
- Launch Control Center
- Radar Set
- Platform/Track Vehicle
- Engineering Change Orders
- Other (Specify)
- Subtotal Command and Launch Equipment

(Exhibit P-5, page 5 of 9)

Exhibit P-5 Instructions (Continued)Support Costs

Peculiar Support Equipment (Specify, e.g., test, handling, etc.)  
Special Handling Equipment  
Training Equipment  
Publications/Technical Data  
Engineering Change Orders  
Other (Specify)  
Subtotal Support  
Gross P-1 End Cost  
Less: Prior Year Adv. Procurement (Breakout by Prior FY of funding)  
Net P-1 Full Funding Cost (Must equal FY amount displayed on the P-40 exhibit)  
Plus Current Year Advance Procurement.  
Other Non-P-1 Weapon System Costs  
Initial Spares

Ship Cost Element Categories

Include the following format for every year from construction inception for which there are undelivered ships through the end of the FYDP:

Plan Costs  
Basic Construction/Conversion  
Change Orders  
Electronics  
Propulsion Equipment  
HM&E  
Other Cost  
Ordnance  
Escalation  
Project Manager's Growth  
Total Ship Estimate  
Less: Advance Procurement FY (specify by individual fiscal year)  
Net P-1 Line Item  
Ship/Unit Cost

Space System Cost Analysis.

A P-5 exhibit is required for each space weapon system employing a launch vehicle or satellite.

Satellite Cost Element Categories

(Exhibit P-5, page 6 of 9)

Exhibit P-5 Instructions (Continued)Launch Vehicle:

- Airframe/Integ & Assembly
- Stage I
- Stage II
- Stage III
- Stage IV
- Guidance and Control
- Other (specify)
- Nonrecurring (specify)

Stage Vehicle:

- Airframe/Integ & Assembly
- Propulsion
- Guidance and Control
- Other (specify)
- Nonrecurring (specify)

Space Vehicle:

- Integration & Assembly
- Spacecraft
- Payload
- Reentry Vehicle
- Other (specify)
- Nonrecurring (specify)

Satellite P-5 Cost Element Categories (continued)

- Engineering Change Orders (ECO)
- In-House Production Support
- Total Flyaway Cost

Checkout and Launch:

- Storage, Reactivation, and Transport
- Integration and Checkout
- Propellants
- Orbital Incentives
- Other (specify)
- Total *Checkout and Launch*

Support:

- Technical Support
- On-Orbit Support
- Flight Support
- Other Support (specify)
- Total Support

- Total Systems Cost
- Less Advance Procurement, Prior Year
- Net P-1 Line Item Cost

(Exhibit P-5, page 7 of 9)

Exhibit P-5 Instructions (Continued)Other Procurement Cost Analysis.

A. Unique entries will vary depending on the nature of the procurement item. Most line items require more than one procurement action to complete the program. If only one contract is involved, the line item is composed of several separate cost elements such as the end item itself, publications, engineering services, production support, etc. Each of these elements (called "building blocks" for simplicity) carries its own dollar value. The sum of the building block values equals the line item value. In general, entries on this form should be structured in the same way that procurement has been accomplished (or is planned) and/or the way that the cost estimate for the line item was derived. For new programs, it is not always possible to predict exactly how procurement will be accomplished but the cost estimate for the line item is built up through price out of separate cost elements that are known to be required.

B. Care should be taken to ensure that the building block title accurately describes the effort. Frequently, attempts are made to use the same building block entry for more than one year when the program effort in the following year is not exactly the same. For example, Model A of particular equipment is procured in one year and an improved Model B version planned for the following year. Separate stub entries should be used to avoid comparisons of unlike items.

Ammunition Procurement Cost Analysis.

A. For items to be procured through the Single Manager for Conventional Ammunition (SMCA), the P-5 will be used to display the program cost breakdown. The Service is responsible for justifying and defending its budget request for ammunition even if the item has transitioned to the SMCA for procurement. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. When the developing Service retains configuration management responsibility for a SMCA-procured item, the developing Service will formulate the production engineering cost estimate, but all other estimates will be formulated by the SMCA.

B. The Army's P-Form exhibit formats included in the Army's Program Budget Documentor (PBDOC) will be utilized for all Services' ammunition procurements for items procured through the SMCA.

C. Quantities will be displayed in each unless the item is being procured in millions (the quantities will then be displayed in thousands). Dollars will be displayed in millions, using 3 decimal places, i.e., 1.225. Normal rounding methodology will be utilized.

D. The hardware section should include the full cost of hardware incorporated into the round or item that is included in the P-1 item line. The hardware section entries should be tailored to match the major components of the ammunition item and should reflect the acquisition strategy. If two or more services procure the same ammunition/ordnance round, the P5 exhibit should be as identical as possible except for Service-unique requirements. If the round is to be procured using a component breakout strategy, the entries should include, as applicable, the following: load-assemble-pack, major metal parts, fuzes, explosives, propellants

(Exhibit P-5, page 8 of 9)

Exhibit P-5 Instructions (Continued)

and shipping containers. Any small-dollar value components that are non-significant/non-problem can be rolled up into an Other, Miscellaneous line (the dollar amount of this line will not exceed 20 percent of the program value). Where an all-up round is to be delivered under a systems contract, the cost of the all-up round may be displayed as a single entry.

E. The production support section should depict the cost of production support materials and services that are included in the P-1 line item. The following standard entries should be used as applicable: production engineering, quality assurance, proof and acceptance testing, interim transportation and industrial stock support. Any other categories (i.e., special testing) should be added as required and identified accordingly. When configuration management responsibility is retained by the Navy or Air Force as developing Service, the production engineering cost estimate will be formulated by the developing Service, but all other estimates will be formulated by the SMCA.

F. The nonrecurring cost section should depict the cost of such items as first article testing, product improvement, value engineering, tooling and test equipment, procurement technical data package updates, start-up/layaway costs and/or other special requirements identified accordingly. In the event that applying government-furnished material or components can reduce the cost of the round, the negative entry will be shown in this section.

G. Each section's subtotal should be displayed at the end of the subentries listing.

H. The total P-1 line item is equal to the sum of subtotal cost of hardware, procurement support and nonrecurring less the GFM applications. This entry must agree with the P-1 value for the ammunition item.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Exhibit P-5a Procurement History and Planning

**Exhibit P-5a, Procurement History and Planning**

Exhibit P-5a, Procurement History and Planning (Page 1)					Weapon System			DATE:		
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number						P-1 Line Item Nomenclature				
WBS COST ELEMENTS Tailor to System/Item Requirements)	Qty	Unit Cost	Location of PCO	RFP Issue Date	Contract Method and Type	Contractor and Location	Award Date	Date of First Delivery	Tech Data Available Now?	Date Revisions Available
<b>Past Year (or last yr of proc)</b>										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										
<b>Current Year</b>										
Airframes/CFE										
Engine/Accessories										
CFE Avionics										
GFE Avionics										
Armament										
Tooling										
Airframe PGSE										
Engine PGSE										
Avionics PGSE										
Peculiar Training Equipment										

P-1 Line Item No X

**Exhibit P-5a, Procurement History and Planning**  
(Exhibit P-5a, page 1 of 4)

Exhibit P-5a, Procurement History and Planning (Continued)

**Exhibit P-5a, Procurement History and Planning (Continued)**

[illegible]

P-1 Line Item No X

**Exhibit P-5a, Procurement History and Planning**  
(Exhibit P-5a, page 2 of 4)

**Instructions - Exhibit P-5a, Procurement History & Planning**

1. **Purpose.** This exhibit provides detailed information on the P-5 entries regarding all prior years having contracts with undelivered assets, current year (CY) and budget year (BY). Contract information is used to compare cost estimates between fiscal years by comparing unit costs on previous contracts. For example, if an item was awarded in FY 1997 using FY 1995 funding, is the FY 1998 cost based on an FY 1995 cost inflated 3 years, or to an FY 1997 cost inflated one year? The contract information is used to determine if there has been a problem awarding the contract early or late in the fiscal year and if it occurred as planned. The contract information also is used to identify potential current year assets and to answer congressional inquiries.

2. **Submission.** Exhibit P-5a will be submitted for all P-5 elements of cost (building block) entries involving quantities in the current or budget year. Information for past years, CY, and BY will be updated for each succeeding submission.

3. **Entries.**

**Cost Elements (Building Blocks)/Fiscal Year.** The cost element/building block title is to be taken from the Exhibit P-5 Cost Analysis for items meeting the criteria of paragraph 2 above. For each cost element, provide information for the PY, CY, and BY. The first fiscal year line will provide information on the last buy prior to the current year (if the item was procured in a fiscal year that is no longer available for obligation, identify the fiscal year for which the item was last procured. Update current and prior year entries to show actual contractor and contract award dates. For the budget year, use best estimates.

If Advance Procurement funding is part of the program, then provide contract data for each subsequent year to support the leadtime of the advance procurement. For example, if advance procurement is required 2 years in advance of BY, then provide contract data through BY+2.

**Quantity and Unit Cost.** Insert actual quantity procured and actual unit cost for last actual line entry. For the CY and BY lines, insert actual or estimated unit costs. The quantities and unit costs should agree with entries on the Exhibit P-5 Cost Analysis exhibit, except for the ammunition items that are fixed standard priced. For these ammunition items, the entries should be the actual unit costs that were negotiated and/or estimated. This update is necessary for the initial starting point for computing future fixed standard prices. Provide an explanation in the remarks block for all items for which the actual unit costs vary significantly with the forecasted unit costs.

**Procurement Contracting Office (PCO) Location.** Identify the organization that will award the contract. Also identify the organization preparing the purchase request, if different.

**Contractor.** For each fiscal year, insert actual contractor name, and facility or plant location (city and state). For the current year, insert contractor name if item is to be sole source or if procurement has been accomplished; otherwise insert "Unknown". For budget year, insert contractor name if sole source; otherwise use "Unknown". Identify the city/state location of the contractor plant.

(Exhibit P-5a, page 3 of 4)



Instructions - Exhibit P-5a, Procurement History & Planning (Continued)

Contract Method/Type. The following codes will be used to identify the "Contract Method/Type":

Contract Method  
 SS - Sole Source  
 C - Competitive  
 MIPR - Military Interdepartmental Purchase Request (use only if MIPR obligates funding)  
 PO - Project Order  
 WR - Work Request  
 Allot - Allotment  
 Reqn - Requisition  
 Other - Explain by footnote

Contract Type  
 FP - Fixed Price  
 CPIF - Cost Plus Incentive Fee  
 CPAF - Cost Plus Award Fee  
 FPI - Fixed Price Incentive  
 Option - Option to prior year contract  
 Other - Explain by footnote

Follow the pattern of the "Contractor" block in displaying actual and estimated contract method and type. "Option" refers to an existing contract that contains an option clause for future procurement. Identify whether the option is priced (already negotiated) or unpriced.

Award Date. For the last actual buy, provide the date that the contract was awarded. For the current year, provide the actual or estimated date. Provide estimated contract award dates for the BY. If the contract is a multiyear contract or a contract with options, identify the date that the option will be exercised.

Date of First Delivery. Same basis as Award Date.

Technical Data Package Available Now. Answer "yes" or "no" for the current year and budget year. No entry is required for prior year. The answer is to be provided as of the time the exhibit is prepared. The term "specifications" refers to full competitive specifications (or their equivalent in the case of a sole source contract).

Date Revisions Available. No entry is required for the prior year line if the contract has been awarded. If revisions are required, provide in last column the date or estimated date when they will be available.

Use Footnotes to provide reasons for Sole Source procurement; to provide reasons for use of letter contracts; to provide reasons why a multiyear contract cannot be used; to explain significant variations in unit cost from year to year, etc.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-5a, page 4 of 4)

Exhibit P-5b, Analysis of Ship Cost Estimate - Basic/Escalation

Date: \_\_\_\_\_

**Shipbuilding and Conversion, Navy**  
**Exhibit P-5b, Analysis of Ship Cost Estimate - Basic/Escalation**

FY 20BY

Ship Type: \_\_\_\_\_

I.	<u>Design Schedule:</u>	<u>Start/Issue</u>	<u>Complete/Response</u>	<u>Reissue</u>	<u>Complete/Response</u>
	Issue date for TLR				
	Issue date for TLS				
	Preliminary Design				
	Contract Design				
	Detail Design				
	Request for Proposals				
	Design Agent				
II.	<u>Classification of Cost Estimate</u> (e.g. Class C Budget Estimate)				
III.	<u>Basic Construction/Conversion</u>		<u>FY 20CY</u>	<u>FY 20BY</u>	
	A. Assumed Award Date				
	B. Contract Type (and Share Line if applicable)				
IV.	<u>Escalation</u>	<u>Hull 9201</u>	<u>Hull 9202</u>	<u>Base Date</u>	<u>Escalation Target Cost</u>
	Escalation Termination Date				
	Escalation Requirement				
	Labor/Material Split				
	Allowable Overhead Rate				
V.	<u>Other Basic (Reserves/Miscellaneous)</u>	<u>Amount</u>			
	Item	xxxx			
	Item	xxxx			

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.  
 Analysis of Ship Cost Estimate – Basic/Escalation

**Analysis of Ship Cost Estimate – Basic/Escalation**  
 (Exhibit P-5b, page 1 of 1)

Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment

Date: \_\_\_\_\_

**Shipbuilding and Conversion, Navy (Continued)**  
**Exhibit P-8a, Analysis of Ship Cost Estimate - Major Equipment**

Ship Type: \_\_\_\_\_

	<u>FY 20PY</u>		<u>FY 20CY</u>		<u>FY 20BY1</u>	
	<u>Qty</u>	<u>Amt</u>	<u>Qty</u>	<u>Amt</u>	<u>Qty</u>	<u>Amt</u>
Electronics Equipment						
Ordnance Equipment						
Propulsion Equipment						
HME Equipment						

Instructions: List the major equipment for each of these cost codes shown on the P-35 exhibit and include the next 10 high dollar value items. All other items can be summarized in one line item. System engineering, spares, documentation, and other equipment costs should be included in the equipment estimate. Value engineering changes should be included in the change order cost category.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

**Analysis of Ship Cost Estimate – Major Equipment**  
 (Exhibit P-8a, page 1 of 1)

Exhibit P-10, Advance Procurement Requirements Analysis

Exhibit P-10 Advance Procurement Requirements Analysis								Date:					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number								P-1 Line Item Nomenclature					
Weapon System					First System (BY1) Award and Completion Date					Interval between Systems			
	PLT	When Rqd	Prior Years	PY	CY	BY		BY+1	BY+2	BY+3	BY+4	To Complete	Total
End Item Qty													
CFE													
Engines													
GFE													
GFE													
GFE													
EOQ													
Design													
Term Liab													
Other*													
<b>Total AP</b>													

P-1 Line Item No X

Exhibit P-10, Advance Procurement Requirements Analysis

Exhibit P-10, (Page 1 of 8)

Exhibit P-10, Advance Procurement Funding (Continued)

**Exhibit P-10, Advance Procurement Funding**

Exhibit P-10 Advance Procurement Requirements Analysis (Page 2 - Budget Justification)						Date:			
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number					Weapon System		P-1 Line Item Nomenclature		
(TOA, \$ in Millions)									
	PLT	QPA	Unit Cost	BY QTY*	BY Contract Forecast Date	BY Total Cost Request			
End Item		N/A				N/A			
CFE									
GFE									
GFE									
GFE									
EOQ									
Design									
Termination Liability									
Other									
Other									
Other									
Other									
<b>Total Advance Proc</b>									
<p>Description:</p> <p>*When the advance procurement funding supports more than one subsequent program year end item, then the funding for each line item entry must be separately identified for each applicable end item fiscal year (i.e., when <span style="color: blue;">lead-times</span> are greater than one year).</p> <p>(Use continuation pages, as necessary)</p>									

P-1 Line Item No X

**Exhibit P-10, Advance Procurement Funding**

(Exhibit P-10, page 2 of 8)

Exhibit P-10 Advance Procurement (Continued)

**Exhibit P-10 Advance Procurement**

Exhibit P-10, Advance Procurement Requirements Analysis					Date:							
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number					Weapon System		P-1 Line Item Nomenclature					
	Prior Years	PY	CY	BY		BY+1	BY+2	BY+3	BY+4	To Complete	Total	
<b>Proposal w/o AP</b>												
Then Year Cost												
Constant Year Cost												
Present Value												
<b>AP Proposal</b>												
Then Year Cost												
Constant Year Cost												
Present Value												
<b>Difference</b>												
Then Year Cost												
Constant Year Cost												
Present Value												
<b>AP Savings</b>												

P-1 Line Item No X

**Exhibit P-10 Advance Procurement**  
 (Exhibit P-10, page 3 of 8)

Exhibit P-10 Advance Procurement (Continued)

**Exhibit P-10, Advance Procurement Funding**

Exhibit P-10, Advance Procurement Requirements Analysis (Page 4 - Execution)										Date:						
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number										Weapon System		P-1 Line Item Nomenclature				
	PLT	Prior Years QTY	Prior Years Total Cost	PY QTY	PY Contract Forecast Date	PY Actual Contract Date	PY Total Cost	CY QTY	CY Contract Forecast Date	CY Total Cost Request	BY QTY	BY Contract Forecast Date	BY Total Cost Request			
End Item						N/A	N/A									
CFE																
GFE																
GFE																
GFE																
EOQ																
Design																
Term Liab																
Other																
<b>Total AP</b>																

P-1 Line Item No X

**Exhibit P-10, Advance Procurement Funding**  
(Exhibit P-10, page 4 of 8)

Exhibit P-10 Advance Procurement (Continued)

**Exhibit P-10, Advance Procurement Funding**

Exhibit P-10, Advance Procurement Requirements Analysis (Page 5 - Execution (Obligations/Expenditures))								Date:					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number								Weapon System		P-1 Line Item Nomenclature			
(TOA, \$ in Millions)													
	Oct PY	Nov PY	Dec PY	Jan PY	Feb PY	Mar PY	Apr PY	May PY	Jun PY	Jul PY	Aug PY	Sep PY	Total
PY Termination Liability Schedule													
PY Expenditures													
	Oct CY	Nov CY	Dec CY	Jan CY	Feb CY	Mar CY	Apr CY	May CY	Jun CY	Jul CY	Aug CY	Sep CY	Total
CY Termination Liability Schedule													
CY Expenditures													
	Oct BY	Nov BY	Dec BY	Jan BY	Feb BY	Mar BY	Apr BY	May BY	Jun BY	Jul BY	Aug BY	Sep BY	Total
BY Termination Liability Schedule													
Narrative:													

P-1 Line Item No X

**Exhibit P-10, Advance Procurement Funding**  
(Exhibit P-10, page 5 of 8)



**Instructions - Exhibit P-10, Advance Procurement Requirements Analysis**

This Exhibit should be submitted for each BY in which Advance Procurement funds are being requested. The exhibit contains 5 pages. Only pages 1 and 2 need to be submitted in the congressional procurement backup books.

Page 1 - Budget Justification entries.

This format will include funding for all years of the program.

Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number. This entry should match the procurement annex.

P-1 Line Item Nomenclature: Self explanatory.

Weapon System Type: End item for which advance procurement is required.

First System Award and Completion Date: Enter the month/year (do not use quarters) of the projected contract award for the end item for which the funds in the budget year supports. For example: FY 1998 advance procurement funds are required in support of an FY 1999 procurement. The FY 1998 AP supporting the FY 1999 end item procurement will be awarded in March 1998 and the FY 1999 procurement will be awarded in January 1999. Enter March 1998. If the manufacturing processes require 24 months, then the item will be delivered in March 2000. Enter March 2000.

Interval Between Systems: Enter the time between end item deliveries.

Column 1. The first entry should be the procurement quantity budgeted for each year (use the actual fiscal year rather than template years) for the end item for which the advance procurement is requested. In addition, list the items that are required to be purchased ahead of the end item. Be specific as possible. Some examples are:

Contractor Furnished Equipment (CFE): This entry includes all advance procurement funding associated with effort accomplished by the prime weapon system contractor. (e.g. airframe contractor for aircraft; guidance and control contractor for missiles, satellites; chassis contractor for tanks, engines, nuclear propulsion equipment for ships, etc.)

Government Furnished Equipment (GFE): This entry should include a separate entry for each major subcomponent furnished by the government (e.g. engines and radars for ships and aircraft; warhead, fuzes, and rocket motors for missiles; engines and major electronic subsystems for tanks, satellites, etc.).

Economic Order Quantity (EOQ): This entry includes items for which an economic order is justified. List each item separately. The entry will require additional justification showing the analysis that supports an EOQ procurement in an advance procurement line.

(Exhibit P-10, page 6 of 8)

**Instructions-Exhibit P-10, Advance Procurement Requirements Analysis (Continued)**

Other Advance Funding. This would normally include non-EOQ funding that is requested in advance of authorization of the end item and is not based on leadtime considerations but based on price/cost considerations only.

Column 2. Production Leadtime (PLT). Enter the number of months required to manufacture the end item.

Column 3. Enter the number of months after the manufacturing process begins that the item is required for incorporation into the end item.

Columns 4-15. Enter the approved funding for all years of the program.

Page 2 Entries:

Column 1. List the items that need to be purchased ahead of the end item. This column should match the entries in column 1 on page 1.

Column 2. Production Leadtime (PLT): Enter the production leadtime of this particular item.

Column 3. Quantity Per Assembly (QPA): Indicate the quantity of the item required for each end item.

Column 4. Unit Cost: Enter the unit cost in tenths of millions.

Column 5. BY Qty: Enter the total quantity being procured in the BY. For the end item enter the quantity of end items being procured in subsequent years and identify by qty and year for which the advance procurement in the BY supports.

Column 6. BY Contract Forecast Date: Enter the date of the planned contract award for each of the items listed in column 1. For the end item enter the date of planned contract award of the end items being procured in subsequent years for which the advance procurement in the BY supports.

Column 7. Cost: Enter the cost in millions with one decimal place.

Description. Describe the technique used to estimate the termination liability request. If advance procurement funding is to be applied to years beyond the immediately succeeding year, the amounts and quantities by year should be specified and explained.

Page 3 Entries:

This page will provide a comparison of the advance procurement request to the cost of the program without advance procurement.

Page 4 Entries:

This page will provide a comparison of the request and actual program execution. If actual data is not available for the following items then provide the contract date or latest program manager's (PM) estimate and indicate with a footnote whether the data represents an actual date, a contract date or a PM projection.

(Exhibit P-10, page 7 of 8)

**Instructions-Exhibit P-10, Advance Procurement Requirements Analysis (Continued)**

Column 1. List the items that need to be purchased ahead of the end item. Include all items in the previous President's budget request and any items procured subsequently.

Column 2. Production Leadtime (PLT): Enter the production leadtime of this particular item. This column should match the entries in column 2 on page 2.

Column 3. PY-1 Quantity: Enter the quantity budgeted for the past year-1.

Column 4. PY-1 Contract Forecast Date: Enter the date of the planned contract award that was included in the previous President's budget request for the past year-1.

Column 5. PY-1 Actual Contract Date: Enter the date that the contract was actually awarded. Explain any differences in the Narrative for the past year-1.

Column 6. PY-1 Total Cost Request: Enter the cost estimated for this particular item that was included in the previous President's budget request for the past year-1.

Columns 7-14. Include the same type of information for the past year and current year as explained in columns 3-6.

Column 15. BY Quantity. Identify the quantity to be procured [in the budget year](#).

Column 16. BY Contract Forecast Date. Identify when the contract will be awarded [in the BY](#).

Narrative. Provide explanations for differences between requested leadtimes and actual leadtimes, requested contract award dates and actual contract award dates and requested cost and actual contract cost. Include any items that were not identified in the previous President's budget request and provide an explanation for the change. Also, address why items were not procured if funding was requested for any items in the previous President's budget request. If advance procurement funding is to be applied to years beyond the immediately succeeding program year, the amounts by year should be specified on the applicable FY BY exhibit and addressed.

**Page 5 Entries**

Provide the termination liability schedule from the contractor. If one is not available, then explain how the requirement for advance procurement was determined. Provide actual expenditures by month for the amount of advance procurement funding including termination liability. Use additional columns as required to complete the period of execution performance for the advance procurement funding (i.e. until program is 100% executed).

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-10, page 8 of 8)

Exhibit P-17, Layaway and/or Distribution

Exhibit P-17 Layaway and/or Distribution						Date					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number						P-1 Line Item Nomenclature					
Project:	<i>Prior Years</i>	PY	CY	BY		BY+1	BY+2	BY+3	BY+4		
Funding											
Description: Provide a brief description of this project.											
Manufacturer (Name and Location)				Production Lines being laid way: (include location)				Production ends:			
Layaway Cost:				Other Costs:				Annual Maintenance Cost:			
Project:	<i>Prior Years</i>	PY	CY	BY		BY+1	BY+2	BY+3	BY+4		
Funding											
Description: Provide a brief description of this project.											
Manufacturer (Name, Location)				Production Lines being laid way: (include location)				Production ends::			
Layaway Cost:				Other Costs:				Annual Maintenance Cost:			

P-1 Line Item No X

**Exhibit P-17, Layaway and/or Distribution**  
 (Exhibit P-17, page 1 of 2)

**Instructions - Exhibit P-17, Layaway and/or Distribution**

1. The purpose of this exhibit is to provide the funding requirements for layaway and distribution projects at government-owned, government-operated (GOGO) facilities, at government-owned, contractor-operated (GOCO) facilities, and contractor-owned, contractor-operated (COCO) facilities. This exhibit is to be submitted only when funding for layaway and distribution projects are ongoing in the current fiscal year or requested in the budget year.

2. For each project, provide information as to the type of action, i.e., in place, on site, central storage, complete layaway or increment, state of readiness, future cost, estimated completion date, background, and work to be accomplished. If reactivated, is the facility or line scheduled to produce new items? If so, list the items.

3. Group projects under each appropriate subclassification, such as facility expansion, machine tool replacement, etc.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification

Exhibit P-18 Initial and Replenishment Spare and Repair Parts Justification						Date: Month/Year					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No					Weapon System	P-1 Line Item Nomenclature					
End Item P-1 Line Item	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
<b><u>INITIAL</u></b>											
B-1											
B-2											
F/A-18											
P-3											
UH-60											
Etc.											
TOTAL INITIAL											
<b><u>REPLENISHMENT</u></b>											
B-1											
B-2											
F-15											
Etc.											
TOTAL REPLEN											
Remarks											
(Use continuation pages, as necessary)											

P-1 Line Item No X  
(Page X of X)

Exhibit P-18, Initial and Replenishment Spares and Repair Parts Justification  
(Exhibit P-18, page 1 of 2)

**Instructions - Exhibit P-18, Initial/Replenishment Spares Requirements**

The purpose of this exhibit is to provide the funding requirements for the procurement of initial and replenishment spares and repair parts in support of end items of equipment and in support of modifications to existing end items of equipment where end items of equipment are being supported by procurement appropriations. A copy of this exhibit will be included in the budget justification book for the end item.

Entries:

Column 1. Enter the budget Exhibit P 1 line item and end items of equipment for which the initial spares and repair parts are required.

Columns 3 through 13. Enter the total cost of the initial or replenishment spares and repair parts for each fiscal year displayed in support of the end items procured. Funding must be consistent with the P-1 and P-40 exhibits.

If some of the initial spares and repair parts are to be financed by the DWCF or for buy-out by a procurement appropriation, provide a memorandum entry to indicate the DWCF-financed portion or footnote accordingly.

Include the following information in the remarks block.

Procurement Requirement:

Funded Initial Spares.

Funded Replenishment Spares.

Funded Mobilization (War Reserve) Spares.

Total Funded.

Repair Turnaround time.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-18, page 2 of 2)

## Exhibit P-20, Requirements Study

Exhibit P-20, Requirements Study		Appropriation (Treasury) Code/CC/BA/BSA/Item Control No				Date		
P-1 Line Item Nomenclature (Include DODIC for Ammunition Items)		Admin Leadtime (after Oct 1): xx months				Prod Leadtime: xx months		
	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY
Quantity Budgeted	500	500	500		605	605	605	605
Unit Cost	.1	.1	.1		.1	.1	.1	.1
Total Cost	.5	.5	.5		.6	.6	.6	.6
<b>Asset Dynamics</b>								
Beginning Asset Position	500	545	545		355	295	295	295
Deliveries from all prior year funding	150	500						
Deliveries from CY funding			500					
Deliveries from BY funding								
					545	605	605	605
Deliveries from subsequent years' funding						605	605	605
Other Gains	50	10	20					
Combat Losses/Usage	0	0	0		0	0	0	0
Training Losses/Usage	-150	-500	-600		-600	-600	-600	-600
Test Losses/Usage	-5	-10	-5		-5	-5	-5	-5
Other Losses/Usage	0	0	0		0	0	0	0
Disposals/Retirements/Attritions/etc.								
<b>End of Year Asset Position</b>	<b>545</b>	<b>545</b>	<b>460</b>		<b>295</b>	<b>295</b>	<b>295</b>	<b>295</b>
Inventory Objective or Current Authorized Allowance	545	545	545		545	545	190	190
Inventory Objective	Actual Training Expenditures	Other than Training Usage	Disposals (Vehicles/Other)	Vehicles Eligible for BY Replacement: 50	Aircraft: TOAI:			
Assets Rqd for Combat Loads: 500	PY thru _____: 350	PY thru _____: 5	PY thru _____: 50		PAA: TAI			
WRM Rqmt: 500	PY-1: 450	PY-1: 4	PY-1: 40	Vehicle Augment: 50	Attrition Res:			
Pipeline: 45	PY-2: 650	PY-2: 6	PY-2: 60		BAI			
Other:	PY-3: 200	PY-3: 2	PY-3: 20		Inactive Inv:			
<b>TOTAL: 545</b>					Storage:			
<b>REMARKS: For ammunition items, list all substitute items for the round.</b>								

P-1 Line Item No X  
(Page X of X)

Exhibit P-20, Requirements Study  
(Exhibit P-20, page 1 of 4)



**Instructions - Exhibit P-20, Requirements Study**

1. **Purpose.** The purpose of this form is to provide detailed information with regard to the determination of asset availability and requirements.

2. **Submission.** The P-20 is required only for the program and budget review submission. A P-20 will be prepared and reviewed by the Services and Defense Agencies for all items being procured, even if the item is included in an aggregated P-1 line item, such as "Items Less Than \$5 million." Submittal of the P-20 is required for only those items costing \$5.0 million or more in the budget year. For aircraft and missile modifications, a P-20 is not required as long as the Exhibit P-3a description includes the inventory objective contained in the validated operational requirements document (ORD). Vehicle P-20 exhibits can be modified to accommodate the numerous vehicle types.

3. **Entries.**

**Leadtimes:** Administrative leadtime is the amount of time after October 1 that is required to award a contract. Procurement leadtime is the amount of time from contract award until delivery of the first unit.

**Quantity Budgeted.** Show the quantities, unit cost, and funding approved for this program.

**Asset Dynamics.** This section will reflect the changing asset position starting with the assets on hand and adjusting for gains and losses. Tailor the entries to the program being represented.

**Beginning Asset Position.** Use the inventory position as of the end of the past fiscal year, or specify other date. As a memo entry in the remarks section, identify assets that are not in a serviceable condition.

**Deliveries from all prior year funding and deliveries from CY and BY funding.** Enter the quantity funded during all prior years that are not yet delivered. Show the deliveries or other gains in the fiscal year in which they will be received. The analyst can then compare these entries to the P-21 Production Schedule (deliveries and leadtimes).

**Deliveries from subsequent years' funding.** Enter the quantity in the appropriate fiscal year. The due-ins should match the P-21 Production Schedule and be reflective of the procurement leadtimes and planned delivery schedules to be included on the contract.

**Other Gains.** Quantity due in for loans to other Services, other receipts, etc.

**Usage.** Identify projected annual usage, disposals, retirements, etc. that are projected for each fiscal year. There should be some correlation of the projected usage to actual expenditures. For aircraft, usage equates to attrition, retirement, FMS sales, etc. For vehicles, usage equates to disposals (quantity of vehicles scheduled for disposal through sale, salvage or transfer to another agency).

**End of Year Asset Position.** Add the gains and subtract the losses from the beginning of the year asset position.

(Exhibit P-20, page 2 of 4)

**Exhibit P-20 Instructions (Continued)**

\* September 2010

Inventory Objective (IO). Identify the elements of the IO and the Approved Acquisition Objective, as applicable and approved through the Program Objective Memorandum process. For missiles, munitions, and munitions-related items, use the capabilities based munitions requirements process. Annotate in the Remarks block if the IO is different for any of the FYDP years. Cite the document and the date of the document that established the IO.

Actual Expenditures (for ammunition items). Identify actual expenditures for training and other than training for at least three years. For example, for the FY 2006 submission, FY 2005 will be the current year but no usage will have occurred. FY 2004 would be the past year but data will probably not be available for the entire fiscal year prior to the submission. Therefore, show actual usage for FY 2004 through June 30, 2004 and the usage for 3 fiscal years (FY 2003 (past year minus one, PY-1), FY 2002 (past year minus two, PY-2), and FY 2001 (past year minus three, PY-3)).

Authorized Allowances. Enter the authorized Vehicle allowances for units, installations, and activities supported by the appropriations of the service preparing the form. Replacement requirements will be excluded.

Vehicles Eligible for Replacement: Enter the quantity of vehicles eligible for replacement during the budget year funded leadtime based upon the age, repair limits and mileage criteria of DoD 4500.36-R.

Vehicle Augmentation. Enter the quantity that represents an augmentation to the inventory. On a separate sheet, list the organizational units and quantities for each unit involved in the augmentation and include a full justification for the augmentation.

Aircraft. Include memo entries for each configuration of aircraft. Identify the acquisition objective by The Joint Staff (TJS) inventory category for each FY. Explain the basis for the approved acquisition objective and identify the applicable requirements document and approval authority (i.e. TJS/Service) that provides the basis for the approved acquisition objective number

Also each Service should submit documentation, by aircraft type, that provides the average age and average hours projected for the aircraft and the current age and hours. This documentation is required for all aircraft being procured and modified, as well as for the aircraft that are being replaced. Identify Active, National Guard and Reserve aircraft. Each Service can submit this documentation in formats currently used by each Service, as long as the above information is incorporated.

Entries should include: (1) total overall aircraft inventory; (2) active aircraft inventory, including primary aircraft inventory (with appropriate subcategories for mission aircraft, training aircraft, dedicated test aircraft, etc.), backup aircraft inventory, and attrition/reconstitution reserve; (3) inactive aircraft inventory, including bailment's, drones, foreign military sales or other transfers, leases, loans, maintenance training, reclamation, and storage; and (4) the Joint Staff approved inventory requirements.

(Exhibit P-20, page 3 of 4)

Exhibit P-20, Requirements Study (Continued)

\* September 2010

Not Installed Nonconsumables. Tailor the asset position to elements that pertain to this category. Include a brief explanation in the remarks block to explain why the entire quantity to meet the IO is not being procured. Include memo entries for the entire program inventory objective. Where applicable, the IO will be supported by showing the number of units or activities, by type and quantity required per unit or activity. Example:

	<u>Required</u>
20 Units	40
30 Activities	60
Spares	10
Total IO	110

REMARKS: Identify any items that can be substituted and explain why substitutes cannot be used to satisfy the IO, why expenditures do not represent an accurate portrayal of usage, and any other anomalies.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-20, page 4 of 4)

## Exhibit P-21, Production Schedule

Exhibit P-21, Production Schedule																		Date																	
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No														Weapon System				P-1 Line Item Nomenclature																	
										PRODUCTION RATE				PROCUREMENT LEADTIMES																					
Item		Manufacturer's Name and Location						MSR	ECON	MAX	ALT Prior to Oct 1	ALT After Oct 1	Initial Mfg PLT	Reorder Mfg PLT	Total	Unit of Measure																			
List each end item																																			
Fiscal Year										Fiscal Year																									
Calendar Year										Calendar Year										Calendar Year															
ITEM	F Y	S V C	Q T Y	D E L	B A L	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	B A L					
5.56	94	A	.5	.2	.3	.1	.1	.1																											
	95	A	.5	0	.5									.1	.1	.1	.1	.1																	
	96	A	.5	0	.5																		.1	.1	.1	.1	.1								
	94	M	.5	0	.5				.1	.1	.1	.1	.1																						
	95	M	.5	0	.5													.1	.1	.1	.1	.1													
	96	M	.5	0	.5																							.1	.4						
	96	F	.5	0	.5																									.5					
Fiscal Year										Fiscal Year																									
Calendar Year										Calendar Year										Calendar Year															
ITEM	F Y	S V C	Q T Y	D E L	B A L	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	J U N	J U L	A U G	S E P	B A L					
5.56	94	A	.5	.2	.3	.1	.1	.1																											
	95	A	.5	0	.5									.1	.1	.1	.1	.1																	
	96	A	.5	0	.5																		.1	.1	.1	.1	.1								
	95	M	.5	0	.5													.1	.1	.1	.1	.1													
	96	M	.5	0	.5																							.1	.4						

REMARKS: Use continuation pages as necessary to complete all procurements. If only one component or item is being delivered, show deliveries on one page.

P-1 Line Item No X

**Exhibit P-21, Production Schedule**  
 (Exhibit P-21, page 1 of 3)

**Instructions - Exhibit P-21, Production Schedule**

1. Purpose. The purpose of this exhibit is to provide detailed information with regard to the monthly production of all applicable items.

2. Submission. Exhibit P-21 will be submitted for the program and budget review submission to show the planned contractual production deliveries for Exhibit P-5 cost elements that have a value of \$5.0 million or more in [the](#) budget year. Those items that are supported by an exhibit P-23 do not need a P-21 unless multiple manufacturers produce the items. Exhibit P-21 will be submitted for the President's budget for all Acquisition Category 1 programs and for any other program requiring specific quantity authorization, *including ammunition appropriations with a funding level of \$5.0 million or more.* Each Service, whether a leader or follower, is to provide the delivery schedule for the entire program. This ensures that each Service has the opportunity to adjust procurement quantities in terms of contractor capability to deliver all assets during the funded delivery period.

3. Entries.

- a. Entries will be displayed in the same order as they appear on the Exhibit P-5 Cost Analysis.
- b. Use "E" for "each," "M" for "millions" and "K" for "thousands" for unit of measure.
- c. Production rates should be yearly rates. The following definitions apply.

Minimum Sustaining Rate. This is the production rate that is necessary to keep production lines open while maintaining a base of responsive vendors and suppliers; the quantity that will preclude start-up costs in the case of a production break; or the quantity that the contractor is willing to accept and produce at a reasonable cost

Economical Production Rate. This is the most efficient production rate for each budget year at which the item can be produced with existing or planned plant capacity and tooling, with one shift a day running for eight hours a day and five days a week (1-8-5).

Maximum Production Rate. This is the maximum capacity rate that a contractor can produce with extant or PY planned tooling. Indicate the number of shifts.

- d. The following leadtime definitions apply.

Administrative Leadtime (ALT). This is the amount of time required to complete the administrative actions leading to contract award. Since these actions do not require funding, the ALT can be separately identified into prior to October 1 and after October 1. The ALT is used to forecast contract awards. Longer leadtimes require that a larger quantity be purchased to support yearly requirements. Leadtimes should therefore reflect an accurate assessment of the time required to process the administrative actions.

Production Leadtime (PLT). This is the amount of time required by a contractor to produce an item once a contract is awarded. Leadtimes should be based on a realistic projection of a contractor's capability.

(Exhibit P-21, page 2 of 3)

**Exhibit P-21 Instructions (Continued)**

Procurement Leadtime. This is the total of ALT (post October 1) and PLT.

e. Where procurements are being made for customers such as the FMS program or another Service, a separate line will be used to reflect each customer's planned buy and phased deliveries with a total provided by item by manufacturer. Use A for Army, N for Navy, AF for Air Force, F for FMS, and O for Other (and explain in the remarks section).

f. Enter respective schedules for all prior fiscal years with undelivered assets, for CY, and BY. In addition, Acquisition Category 1 programs and programs requesting advance procurement funding will also enter schedules for all years of the future years defense plan. Show detail of production by month so that analysis can be accurately performed.

g. Missile Delivery Schedule. A separate P-21 exhibit will be prepared for each missile system reflecting the latest actual deliveries and scheduled outyear requirements. When the missile system includes the procurement of fire units or launching systems within the P-1 line item, the missiles and the major components of the fire unit or launching system (launcher, launch control center, radar set, track vehicle) will be depicted on the P-21 exhibit.

h. Ammunition. The total production plan for hardware items should be displayed to include time-phased schedules for LAP and the major limiting or pacing component as applicable. For Improved Conventional Munitions, display schedules for all major components. Provide separate information in those cases where procurement leadtimes for LAP and major components differ.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-21, page 3 of 3)

Exhibit P-23, Time Phased Requirements Schedule

Exhibit P-23, Time Phased Requirements Schedule					Appropriation/Budget Activity					P-1 Item Nomenclature										Date								
	CY				BY								BY+1				BY+2				BY+3				BY+4			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1. ACTIVE FORCE INVENTORY																												
2. SCHOOLS/OTHER TRAINING																												
3. OTHER																												
4. TOTAL PHASED REQ																												
5. ASSETS ON HAND																												
6. DELIVERY FY & PRIOR																												
7. FY & PRIOR																												
8. CY																												
9. BY																												
10. BY+1																												
11. BY+2																												
12. BY+3																												
13. BY+4																												
14. TC																												
15. TOTAL ASSETS																												
16. QTY OVER (+) OR SHORT (-)																												
D. REMARKS												Rqmt (Qty)		Total Rqmt		Installed		On Hand		PY Undelivered		Prior		Unfunded				
								APPN -																				
								APPN -																				
								APPN -																				
								PROC LEADTIME						Admin				Initial Order				Reorder						

P-1 Line Item No X

(Page X of X)

**Exhibit P-23, Time Phased Requirements Schedule**  
 (Exhibits P-23 and P-23a, page 1 of 4)

Exhibit P-23a, Installation Data

Exhibit P-23a, Installation Data				P-1 Item Nomenclature				Date							
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number				Installing Agent											
1st Qtr		2d Qtr		3d Qtr		4th Qtr		1st Qtr		2d Qtr		3d Qtr		4th Qtr	
End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty	End Item Facility	Qty

P-1 Line Item No X  
(Page X of X)

**Exhibit P-23a, Installation Data**  
(Exhibits P-23 and P-23a, page 2 of 4)



**Instructions P-23a, Time Phased Requirements Schedules****Exhibit P-23a, Installations Data****Exhibit P-23, Time Phased Requirements Schedules**

1. **Purpose.** The purpose of these exhibits is to provide detailed information with regard to the quarterly requirements and production of all applicable installed items.
2. **Submission.** The exhibit P-23, supplemented by Exhibit P-23a, will be submitted for all P-1 line items installed and/or components. A P-23 is not required if a P-3a modification exhibit is submitted for the installed item because a schedule is included on the P-3a.
3. **Entries.**

**Time Period Covered by Exhibit P-23.** The first fiscal year block represents the current fiscal year (CY). The form provides for a total of 7 years. If the phased requirement for the equipment extends beyond 7 years, insert an additional column at the right edge of the form entitled "Later." Use this last column to reflect the balance of the requirement and/or deliveries.

**Line #1. Active Force Inventories.** The purpose of this line is to show by quarter, "installation opportunities" for a particular equipment based upon an established schedule. The quantities to be reflected are installed equipment quantities. The line entry is non-cumulative. In those cases where the actual or planned equipment procurement program will not provide sufficient units to meet total opportunities in a particular quarter, the missed opportunities will be shown in parentheses. For example, total opportunities might be 10, but only 6 can be met. This will be shown as 6 (4). Appropriate offsets will be made in this line when it is necessary to have the equipment to be installed on hand in advance of beginning of installation.

**Line #2. Schools and Other Training.** Insert in the appropriate fiscal quarter units required for Schools and Other Training. Indicate "Other" unit requirements by use of an asterisk.

**Line #3. Other.** This line should reflect phased requirements for all other commodity users such as new construction of end items or MAP/FMS etc.

**Line #4. Total Phased Requirements.** This is a cumulative line entry and in the first quarter of the first fiscal year on the form is the sum of lines 1 through 4. For the second quarter, line 5 is equal to amount shown on line 5 in the first quarter plus sum of lines 1 through 4 in the second quarter.

**Line #5. Assets on Hand.** In the first quarter block on line 6, insert the number of equipment on hand at the beginning of the current fiscal year.

**Line #6. Delivery FY & Prior.** Enter the planned deliveries from the prior fiscal year and prior programs. This is a non-cumulative line. Indicate appropriation on lines 7-16 when columns are filled.

**Line #7. FY & Prior.** Reflect on this line deliveries from other appropriations financed by prior year programs.

**Line #8. CY.** Reflect planned deliveries from the current fiscal year program. Also, indicate in the appropriate quarter when the contract for the current fiscal year quantity will be awarded. Identify the type of contract with the following codes:

(Exhibits P-23 and P-23a, page 3 of 4)

Exhibit P-23a Instructions (Continued)

C	Competitive procurement
SS	Sole Source
CMYP	Competitive multiyear
SSMYP	Sole Source multiyear

Line #9. BY. Same as line 8 for current fiscal year when a different appropriation from line 8 is involved.

Lines #10-15. BY+1 thru BY+4, TC, and Total Assets. Follow the pattern of lines 8 and 9. Lines 14 (TC) and 15 (Total Assets) may cover more than one fiscal year program and will reflect the equipment quantity required to fill the total requirement.

Line #15. Total Assets. For each quarter, this line is the sum of lines 5 through 14 expressed on a cumulative basis as was line 4.

Line #16. QTY Over (+) or Short (-). Enter the difference between line 4 (total phased requirements) and line 15 (total assets).

Requirement Block (Lower right corner) - This block recaps total requirements by appropriation.

Total Requirement - This is the total ultimate quantity required for installation without regard to when installation will take place.

Installed - Number of units installed prior to the beginning of the current fiscal year.

On Hand - Units that have been delivered but not yet installed.

Prior Years Undelivered - This is the sum of all units due in from prior year, past years, and current year programs plus planned BY procurements.

Unfunded - This is the quantity still required after the BY.

Reconciliation - The cumulative quantity shown on line 4 is equal to the sum of the on hand quantity, the FY (BY) and undelivered quantity plus the unfunded quantity.

Procurement Leadtimes. Administrative leadtime is the amount of time after October 1 that is required to award a contract. Initial Order Leadtime means production or manufacturing leadtime and is measured from date of contract award to date of first delivery of equipment. Reorder Leadtime is production leadtime when follow-on procurement is made from previous source.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

P-23a, Instructions – Exhibit P-23a, Installations Data

List the end item and/or facilities that are to receive the equipment. Include the quantity to be installed by quarter. Identify the installing agent.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibits P-23 and P-23a, page 4 of 4)

## Exhibit P-25, Production Support and Industrial Facilities Cost Analysis

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis					Date						
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number					P-1 Line Item Nomenclature and Project Number						
Project Title/Type					End Item Supported Model						
Project Number			Annual Capacity Before Project (1-8-5)			Annual Capacity after Project (1-8-5)					
ELEMENT OF COST	PY FY	CY FY	BY FY		Facility Name: _____						
Construction					Location: _____						
Equipment					Type: (GOGO, GOCO, COCO): _____						
Equipment					Related Projects						
Equipment					Project # and Title	FY & Appn	Value	Facing	Start Date	Compl Date	
Equipment											
Equipment Install											
Contract Support											
Corps of Engrs											
Other											
Total Fac Costs											
Other-Prove-out											
MILCON					Principal Milestones					Month & Year	
					Concept Design Complete:					_____	
					Final Design Complete:					_____	
					Initial/Final Project Award:					_____	
					Construction Complete:					_____	
					Equipment Installation Complete:					_____	
					Prove out begins:					_____	
					Prove out completes:					_____	
Narrative Explanation											

P-1 Shopping List - Item No 20-1 of 20-20

Exhibit P-25, Production Support and Industrial Facilities Cost Analysis

(Exhibit P-25, page 1 of 2)

**Instructions Exhibit P-25,**  
**Production Support and Industrial Facilities Cost Analysis**

The P-25 exhibit will be used to display costs for each funded production facilities project at all government owned, government operated (GOGO) and government owned, contractor operated (GOCO) facilities. In addition the exhibit will display the costs associated with a facilities project for those government owned lines that are located at contractor owned, contractor operated (COCO) facilities. The cost categories on the P-25 exhibit represent a number of elements and the list should be tailored to adequately depict the production facility project cost. This exhibit is to be submitted only when funding for production support and facilities is part of the current year budget or requested for the budget year. The sections on the P-25 exhibit are to be completed as follows.

Entries:

Construction Cost. The Construction Cost depicts the cost for construction that is funded in this line. If construction funds are required that are programmed in another appropriation, these funds and the associated amount should be identified in the Other Costs section.

Equipment Cost. The Equipment Cost identifies the cost for individual equipment (list separately) costing more than \$0.5 million and a cumulative cost line for all equipment costing less than \$0.5 million.

Equipment Installation Cost. The Equipment Installation Cost identifies the cost to install all the equipment listed.

Contractor Support Cost. The Contractor Support Cost identifies any cost for contractor support included in the production facility project.

Corps of Engineers Support Cost. The Corps of Engineers Support Cost identifies any cost for the Corps of Engineers support included in the production facility project.

Other In-house Support Cost. Should identify any cost for other in-house support (excluding the Corps of Engineers support costs) included in the production facility project.

Other Cost. The Other Cost reflects other costs associated with the project such as facility prove-out cost, military construction appropriation costs, etc.

Facility. The Facility specifies the name, location, and type of facility.

Related Projects. The Related Projects include prior year and outyear funding required to complete the project.

Industrial Facilities - Provide specific line item identification for each project. Group projects under each appropriate subclassification, such as facility expansion, machine tool replacement, etc.

A DD Form 1391, Military Construction Project Data, is required for each project for proposed construction, alteration, expansion, or modernization of government owned facilities.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-25, page 2 of 2)

## Exhibit P-26, Maintenance of Inactive Facilities

Exhibit P-26, Maintenance of Inactive Facilities					Appropriation (Treasury) Code/CC/BA/BSA/Item Control No					Date	
Inactive Lines at Active Plants			Facility			Facility Contractor:					
	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
Funding											
Description:											
Inactive Lines at Contractor Plants						Contractor					
	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
Funding											
Description:											
Inactive Plants			Facility			Facility Contractor:					
	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
Funding											
Description:											

P-1 Line Item No X  
(Page X of X)

**Exhibit P-26, Maintenance of Inactive Facilities**  
(Exhibit P-26, page 1 of 2)

Exhibit P-26, Maintenance of Inactive Facilities (Continued)

Instructions - Exhibit P-26, Maintenance of Inactive Facilities

1. The purpose of this exhibit is to provide the funding requirements for the maintenance of inactive facilities, inactive lines at active facilities, and inactive lines at contractor facilities.
2. Provide information as to the types of costs that require funding.
3. List the inactive lines and the ammunition that will be produced if the line is reactivated.
4. Provide description of environmental requirements.
5. Provide detail by facility.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-26, page 2 of 2)



## Exhibit P-29, SCN Outfitting Costs

[illegible]

P-1 Line Item No X

**Exhibit P-29, SCN Outfitting Costs**  
(Exhibit P-29, page 1 of 1)



## Exhibit P-29a, SCN Outfitting Costs-Comparison

Exhibit P-29a, Shipbuilding and Conversion (SCN) Outfitting Costs - Comparison									Date:					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number									P-1 Line Item Nomenclature					
Ship Type	Hull No	Prog Year	Del Date	Prior Years	PY	CY	BY		BY+1	BY+2	BY+3	BY+4	To Complete	Total
97PB														
xxx														
xxx														
98BES														
xxx														
xxx														
Delta														
xxx														
xxx														
Comments:														
This exhibit compares the previous President's budget request to the current program and budget review submission or the current President's budget request as, appropriate.														
A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.														

P-1 Line Item No X

**Exhibit P-29a, SCN Outfitting Costs-Comparison**  
 (Exhibit P-29a, page 1 of 1)

Exhibit P-30, SCN Post Delivery Costs

Exhibit P-30, Shipbuilding and Conversion (SCN) Post Delivery Costs									Date:						
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number									P-1 Line Item Nomenclature						
Ship Type	Hull No	Prog Year	Del Date	Prior Years	PY	CY	BY		BY+1	BY+2	BY+3	BY+4	To Complete	Total	ID
Comments															
A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.															

P-1 Line Item No X

## Exhibit P-30a, SCN Post Delivery Costs-Comparison

Exhibit P-30a, Shipbuilding and Conversion (SCN) Post Delivery Costs-Comparison									Date:						
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number									P-1 Line Item Nomenclature						
Ship Type	Hull No	Prog Year	Del Date	Prior Years	PY	CY	BY		BY+1	BY+2	BY+3	BY+4	To Complete	Total	ID
97PB															
xxx															
xxx															
98IPBS															
xxx															
xxx															
Delta															
xxx															
xxx															
Comments This exhibit compares the previous President's budget request to the current program and budget review submission or the current President's budget request as appropriate.  ID Codes: S=NNS; I=INGALLS; E=ELECTRIC BOAT; B=BATH IRON WORKS; A=AVONADE; N=NASCO; O=OTHER  A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.															

P-1 Line Item No X

Exhibit P-30a, SCN Post Delivery Costs-Comparison  
(Exhibit P-30a, page 1 of 1)

Exhibit P-35, Major Ship Component Fact Sheet

## Exhibit P-35, Major Ship Component Fact Sheet

(TOA, \$ in Millions)

Ship Type - (SSN-21)

Equipment Item - (AN/BSY-2 Combat System)

PARM Code - (NAVSEA PMS XXX)

Description/Characteristics/Purpose:

<u>Current Funding</u>	<u>FY 20PY</u>		<u>FY 20CY</u>		<u>FY 20BY</u>			
Major Hardware	Hull	Total FY	Hull	Total FY	Hull	Total FY	Hull	Total FY
Hardware								
Warranty								
Battle Spare/Trainer								
GFE								
Ancillary Equipment								
Test Equipment								
Shipping and Installation Fix								
Technical Data and Documentation								
Spares								
Installation & Checkout								
Installation & Sup Spt								
System Engineering								
Technical Engineering Services								
Contract Field Services								
Govt Field Services								
Other Costs (List separately)								
Other Costs								

<u>Contract Data (major hardware)</u>	<u>Prime Contractor</u>	<u>Contract Award Date (indicate if estimated)</u>	<u>Contract Type</u>	<u>New/Option</u>	<u>Contract Qty</u>	<u>Contract Hardware Unit Cost</u>
PY						
CY						
BY						

<u>Delivery Data</u>	<u>Earliest Ship Delivery Date</u>	<u>Months Required before Delivery</u>	<u>Production Leadtime</u>	<u>Required Award Date</u>
PY				
CY				
BY				

V. Competition/Second-Source Initiatives:

P-1 Line Item No X

Exhibit P-35, Major Ship Component Fact Sheet  
(Exhibit P-35, page 1 of 2)

Instructions Exhibit P-35, Major Ship Component Fact Sheet

Item: A separate sheet is to be submitted for each component having a unit cost of \$3.0 million or more.

Description/Characteristics/Purpose. Self explanatory.

Current Funding. The cost details will be provided for each ship type for which equipment is being procured on a hull basis for the prior year (PY), current year (CY), and budget year (BY).

Identify estimates on an end item cost basis. If equipment was procured in a prior year with advance procurement funds, it should be reflected on the exhibit next to the end cost estimates in parenthesis. The equipment costs in this section of the exhibit will include the building block elements listed below:

- Major Hardware
- Ancillary Equipment
- Technical Data and Documentation
- Spares
- System Engineering
- Technical Engineering Services
- Other Costs

Major hardware costs in excess of \$20 million must be broken down into sub-element hardware components that comprise the equipment cost estimate included on the P-5a cost analysis.

Contract Data. This section will be prepared for major hardware procurement. The exhibit will include the contract plans for the BY, the planned or actual contract information for the current year (CY) and the actual information for the last buy prior to the current year. The last buy should be included even though it is two or more years prior to the current year. The following codes should be used for indicating contract types: Fixed Price Incentive (FPI); Cost Plus Incentive Fee (CPIF); Fixed Price (FP); Sole Source (SS); and Competitive (C). Indicate whether it is a new contract or an option to an existing contract. Also indicate estimated or actual award dates and item delivery dates. List quantities for each fiscal year and the production leadtime associated for each type of equipment.

Delivery Data. This section should indicate delivery plans for BY, CY and past year (PY) programs contained in Section II of this exhibit. The required award date entry is determined by subtracting the months required before delivery and production leadtime from the earliest ship delivery date.

Competition/Second Source Initiatives. Describe any competition or second source initiatives associated with major hardware items.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-35, page 2 of 2)

Exhibit P-36, Depot Level Ship Maintenance Schedule

Date: \_\_\_\_\_

**Exhibit P-36, Depot Level Ship Maintenance Schedule**From PY to BY2 + 4

<u>Ship</u> <u>Type</u>	<u>Class</u>	<u>Hull</u>	<u>Name</u>	<u>HP</u>	<u>FY</u>	<u>Type of</u> <u>Avail.</u>	<u>Exec.</u> <u>Act.</u>	<u>Start</u> <u>Date</u>	<u>End</u> <u>Date</u>	<u>O&amp;MN</u> <u>Costs</u>	<u>OPN</u> <u>Costs</u>	<u>Total</u> <u>Mandays</u>
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Purpose: The purpose of this exhibit is to provide schedule and budgetary data for ships planned for a modernization availability using past year (PY), current year (CY), or budget year (BY) funds in support of the availability.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

**Exhibit P-36, Depot Level Ship Maintenance Schedule**

(Exhibit P-36, page 1 of 1)

## Exhibit P-40, Budget Item Justification

Exhibit P-40, Budget Item Justification							Date					
Appropriation (Treasury) Code/CC/BA/BSA/Item Control Number							P-1 Line Item Nomenclature					
Program Element for Code B Items:					Other Related Program Elements							
	ID Code	Prior Years	PY FY	CY FY	BY FY		BY+1 FY	BY+2 FY	BY+3 FY	BY+4 FY	To Complete	Total
Proc Qty												
Gross Cost												
Less PY Adv Proc												
Plus CY Adv Proc												
Net Proc (=P-1)												
Initial Spares												
Total Proc Cost												
Flyaway U/C												
Wpn Sys Proc U/C												
Description												
(Use continuation pages, as necessary)												

P-1 Line Item No X  
(Page X of X)

**Exhibit P-40, Budget Item Justification**  
(Exhibit P-40, page 1 of 4)

**Instructions Exhibit P-40, Budget Item Justification**

1. **Purpose.** The purpose of this exhibit is to provide overall narrative justification and total procurement costs for each P-1 line item. Include all advance procurement, initial spares and repair parts for acquisition category 1 programs.

2. **Submission.** A separate P-40 will be submitted to support each P-1 line item with funding of \$5.0 million or more in the budget year or \$5.0 million or more in either the PY or CY. Funding will be provided for all years displayed on the P-40 for all programs for both the program and budget review submission and the President's budget. If prior year and to complete data are not relevant (i.e., items have a continuing requirement such as vehicles or ammunition), then leave those fields blank. In order to ensure compliance with the Department's policy to fully fund procurement programs, exhibits should reflect all costs and quantities from prior year (PY) through to complete (TC) for those programs buying a finite quantity. Note: for programs with a funding value less than \$5 million, only the P-40 and P-40a exhibits are required.

3. **Entries.**

a. Enter the applicable information that identifies the appropriation number and title, budget activity, procurement line item number, and serial number (the combination of these codes should match the procurement annex). Include the P-1 line item title and identify nicknames in parenthesis. Identify the program element for all Code B items shown on the P-5. Also list all other PEs associated with this procurement.

b. Funding will be presented for all prior years, past year, current year, budget year, FYDP years, to complete, and total on all line items having a finite quantity requirement. It is not relevant to show funding or quantities for items that are continuing requirements such as ammunition or vehicles. It is relevant to show funding for all fiscal years for items being procured to specified quantity, such as aircraft, missiles, or modifications. The funding should agree with the funding approved in the FYDP Procurement Annex. Omit line items that do not apply (for example, ammunition items would not include an initial spares line).

c. A complete narrative description of the line item will be provided. The description will include, but not be limited to, the nature, purpose and intended use of the item with sufficient depth of information to serve as a justification for funding.

d. If the item is a Code B item, provide the month and calendar year, actual or projected, for each applicable DTE, IOT&E, OTE and technical data package (TDP) or performance specification milestone date. TDP is assumed to be the date when all data necessary to initiate the procurement is available. Also provide the planned date for type classification as Standard or Alternate Standard (Army and Air Force) or approved by the CNO or other responsible official (Navy). Provide the nomenclature and model number of each item (as applicable) which will be replaced, as well as the comparative information in definitive terms with units of measure such as range, speed, cycle rate, meantime before failure, useful life, etc. Enter a brief but specific discussion of pertinent test results and development effort to date (successful firings, slippages, test failures, cost overruns, etc.).

e. For those programs that include advance procurement funds that support more than just the next or one subsequent FY program, specific FY detail needs to be provided to identify which FY programs are supported by prior year advance procurement. Advance procurement should be debited and credited according to the leadtimes of the advance procurement. For instance, if FY 1996 and FY 1997 advance procurement funds are required for an FY 1998 procurement, the FY 1996 AP funds would be debited in FY 1996, the FY 1997 AP funds would be debited in FY 1997, and the total of the FY 1996 and FY 1997 AP funds would be credited in FY 1998. (Exhibit P-40, page 2 of 3)



**Instructions Exhibit P-40, Budget Item Justification (Continued)**

## Advance Procurement

<b>FY TOA</b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>
FY 2002 for FY 2004 (memo)	0.x				
FY 2003 for FY 2004 (memo)		0.x			
FY 2003 for FY 2005 (memo)		0.x			
FY 2004 (memo)			-0.x		
FY 2004 for FY 2005 (memo)			0.x		
FY 2004 for FY 2006 (memo)			0.x		
FY 2005 (memo)				-0.x	
FY 2005 for FY 2006 (memo)				0.x	
FY 2005 for FY 2007 (memo)					

4. Specific Guidance by Program Type.

- a. Shipbuilding and Conversion, Navy Programs. Include the following information:

Mission

Characteristics (hull length overall, beam, displacement, draft)

Armament

Major Electronics

Production status, by hull

Contract Award Planned (Month/Year)

Months to Complete

a) Award to Delivery

b) Construction

Start to Delivery

Delivery Date

Completion of Fitting Out

Obligation Work Limiting Date (OWLD)

The P-40 must list all Service and Other Small Craft Items by types and provide funding for all years still being executed.

b. Modification Programs. For procurement modification programs the P-40 exhibit shall include the following information. A complete narrative description of the weapon system, its overall mission, number of aircraft in the inventory (include a breakout by Active, National Guard and Reserve), the designed service life, and the average service life remaining. The exhibit will, just below the narrative, include the specific modifications budgeted and programmed displayed in the format provided below:

Mod/ Total (TOA, \$ in Millions)

<u>OSIP No.</u>	<u>Title</u>	<u>PYs</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>	<u>TC</u>	<u>Total</u>
-----------------	--------------	------------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-----------	--------------

Mod/OSIP No. Enter the modification number as applicable. List each modification on the aircraft P-40 exhibit. All P-3a exhibits must be included in the budget backup book in this numerical order.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-40, page 3 of 3)

## Exhibit P-40a, Budget Item Justification for Aggregated Items

[illegible]

P-1 Line Item No X  
(Page X of X)

**Exhibit P-40a, Budget Item Justification for Aggregated Items**  
(Exhibit P-40a, page 1 of 2)

**Instructions - Exhibit P-40a, Budget Item Justification for Aggregated Items**

1. Purpose. The purpose of this exhibit is to provide the quantities and funding covering the procurement programs included in aggregated P-1 line items such as "Items Less Than \$5.0 million." A P-5 is not required for items included on a P-40a.

2. Entries.

a. Enter the applicable information that identifies the appropriation, budget activity, and title. There should be no Code B (not approved for service use) items on the P-40a. If an item is a Code B item, however, the item must be listed as separate line items in the P-1, P-5 and P-40 exhibits.

b. Funding will be presented for all prior years, past years (PY), current year (CY), budget year (BY). The funding should agree with the funding approved in the FYDP Procurement Annex.

c. Spares. Funding will be presented for PY, CY, and BY.

A Service-generated or Defense Agency-generated exhibit can be used in lieu of this exhibit as long as it includes all the information required by this exhibit.

(Exhibit P-40a, page 2 of 2)

MYP-1 through 4 are prepared in the SNaP database.

Date: \_\_\_\_\_

### Exhibit MYP-1, Multiyear Procurement Criteria Content

Program \_\_\_\_\_

1. Multiyear Procurement Description.
2. Benefit to the Government.
  - a. Substantial Savings
  - b. Stability of Requirement
  - c. Stability of Funding
  - d. Stable Configuration
  - e. Realistic Cost Estimates
  - f. National Security

### 3. Source of Savings

\$ in Millions

Inflation  
 Vendor Procurement  
 Manufacturing  
 Design/Engineering  
 Tool Design  
 Support Equipment  
 Other  
 Total

P-1 Line Item No X  
 (Page X of X)

**Exhibit MYP-1, Multiyear Procurement Criteria**  
 MYP-1, page 1 of 14

Exhibit MYP-1, Multiyear Procurement Criteria [Content](#)**Exhibit MYP-1, Multiyear Procurement Criteria [Content](#) (Continued)**

Program \_\_\_\_\_

4. Advantages of the MYP5. Impact on Defense Industrial Base6. Multiyear Procurement SummaryAnnual ContractsMultiyear Contract

Quantity

Total Contract Price

Cancellation Ceiling (highest point)

Funded

Unfunded

\$ Cost Avoidance Over Annual

% Cost Avoidance Over Annual

P-1 Line Item No X

[MYP-1, page 2 of 14](#)

Exhibit MYP-2, Total Program Funding Plan

Exhibit MYP-2, Total Program Funding Plan						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	BY	BY	BY +1	BY +2	BY +3	BY+4	BY +5	BY +6	BY +7*	Total
<b>Procurement Quantity</b>										
<b>Annual Procurement</b>										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Weapon System Cost										
<b>Multiyear Procurement</b>										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY	xx.x									xx.x
		xx.x								xx.x
For BY +1		xx.x	xx.x							xxx.x
For BY +2		xx.x	xx.x	xx.x						xxx.x
For BY +3		xx.x	xx.x	xx.x	xx.x					xxx.x
Plus CY Adv Procurement	xx.x	xxx.x	xxx.x	xx.x	xx.x					xxx.x
Weapon System Cost										
<b>Multiyear Savings (\$)</b>										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
<b>Outlays</b>										
Annual										
Multiyear										
Savings										
Remarks.										

P-1 Line Item No X

Exhibit MYP-2, Total Program Funding Plan  
MYP-2, page 3 of 14

## Exhibit MYP-3, Contract Funding Plan

Exhibit MYP-3, Contract Funding Plan						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	BY		BY +1	BY +2	BY+3	BY +4	BY +5	BY +6	BY +7*	Total
<b>Procurement Quantity</b>										
<b>Annual Procurement</b>										
Gross Cost										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Plus CY Adv Procurement										
Contract Price										
<b>Multiyear Procurement</b>										
Gross Cost (P-1)										
Less PY Adv Procurement										
Net Procurement (= P-1)										
Advance Procurement										
For BY	xx.x									xx.x
		xx.x								xx.x
For BY +1		xx.x	xx.x							xxx.x
For BY +2		xx.x	xx.x	xx.x						xxx.x
For BY +3		xx.x	xx.x	xx.x	xx.x					xxx.x
Plus CY Adv Procurement	xx.x	xxx.x	xxx.x	xx.x	xx.x					xxx.x
Contract Price										
<b>Multiyear Savings (\$)</b>										
Multiyear Savings (%) (total only)										
Cancellation Ceiling -Funded										
Cancellation Ceiling -Unfunded										
<b>Outlays</b>										
Annual										
Multiyear										
Savings										
Remarks. Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).										

P-1 Line Item No X

Exhibit MYP-3, Contract Funding Plan

MYP-3, page 4 of 14

## Exhibit MYP-4, Present Value Analysis

Exhibit MYP-4 Present Value Analysis						Date				
Appropriation (Treasury) Code/CC/BA/BSA/Item Control No						P-1 Line Item Nomenclature				
	BY		BY +1	BY +2	BY +3	BY +4	BY +5	BY +6	BY +7	Total
<b>Annual Proposal</b>										
Then Year Cost										
Constant Year Cost										
Present Value										
<b>Multiyear Procurement</b>										
Then Year Cost										
Constant Year Cost										
Present Value										
<b>Difference</b>										
Then Year Cost										
Constant Year Cost										
Present Value										
Remarks										
Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers).										

P-1 Line Item No X

Exhibit MYP-4, Present Value Analysis  
MYP-4, page 5 of 14



**Instructions – Exhibit Multiyear Procurement**

1. Provide a narrative justification (MYP-1 Multiyear Procurement Criteria) for all proposed multiyear procurements candidates regardless of costs. Exhibits MYP-1, MYP-2 Total Program Funding, MYP-3 Total Contract Funding and MYP-4 Present Value Analysis will be included for all MYP candidate systems in the Program Budget Review submission. The President's Budget request will include a P-5a MYP-annotated entry for those multiyear programs not requiring congressional authorization and appropriation language and exhibits. MYP-1 through MYP-4 exhibits are required for all multiyear candidate systems for which any of the following is true:
  - a. The anticipated multiyear procurement contract is \$500 million or greater.
  - b. There are economic order quantity (EOQ) procurements in excess of \$20 million in any one year.
  - c. There are EOQ procurements in advance of an MYP contract in excess of \$20 million in any one year.
  - d. There will be an unfunded contingent liability in excess of \$20 million in any one year.
  - e. The procurement quantities of a previously approved MYP have been adjusted.
2. If a system proposed for a multiyear contract includes more than one P-1 line item, prepare combined MYP-1 and MYP-2 exhibits. Prepare separate exhibits for the remaining MYP exhibit formats. All the exhibits associated with the system will be combined in one package, and submitted in numerical order MYP-1, MYP-2, MYP-3<sup>1</sup>, MYP-3<sup>2</sup>, etc.
3. If multiple MYPs are proposed for components of the same P-1 line item, prepare a separate set of exhibits for each. Note that the MYP-3 will be the same in each package.
4. If a joint Service program is proposed for multiyear procurement, the executive Service is responsible for submission of all multiyear exhibits, and the congressional authorization language.
5. Provide the narrative description in sufficient detail to define the multiyear procurement, i.e., this multiyear procurement will procure "x" number of units over "x" number of fiscal years by using one (or more) multiyear contract.
6. Describe in detail the benefit to the government of the MYP. The process of deciding to use or not to use a multiyear procurement (MYP) for production programs as well as how best to tailor and structure MYP requires management judgment. A MYP should yield substantial cost avoidance or other benefits when compared to conventional annual contracting methods.

**Instructions – Exhibit Multiyear Procurement (Continued)**

MYP structures with greater risk to the government should demonstrate increased cost avoidance or other benefits over those with lower risk. Savings can be defined as significant either in terms of dollars or percentage of total costs. Detailed descriptions of benefits justifying the MYP should cover the following: Substantial Savings, Stability of Requirements, Stability of Funding, Stable Design, Realistic Cost Estimates and National Security.

7. Identify the Substantial Savings detailing the sources of savings, to include, as appropriate, inflation, vendor procurement, manufacturing, design/engineering, tool design, and support equipment. Each identified source of savings must include a narrative description of the specific savings, an estimate for that specific source and how the estimate was derived. The sum of the detailed sources should equal the total savings.
8. The narrative justification for Stability of Requirement must contain the statement that “the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities.” The item should be technically mature, have completed RDT&E (including development testing, or equivalent) and Initial Operational, Test and Evaluation (IOT&E), with relatively few changes in item design anticipated. Deliveries of production items will indicate that the underlying technology is stable. This does not mean that changes will not occur but that the estimated cost of such changes is not anticipated to drive total costs beyond the proposed funding profile.
9. Identify the advantages the MYP will achieve and how they will achieve them. These advantages include: production of items in economic order quantities, thereby resulting in lower costs; enhancement of standardization; reduction of administrative burden in the placement and administration of contracts; substantial continuity of production or performance, thus avoiding annual startup costs, pre-production testing costs, make-ready expenses, and phase-out costs; stabilization of contractor and subcontractor work forces; avoiding the need to establish quality control techniques and procedures for a new contractor each year; broadening the competitive base with opportunity for participation by firms not otherwise willing or able to compete for lesser quantities, particularly in cases involving high startup costs; providing incentives to contractors to improve productivity through investment in capital facilities, equipment, and advanced technology; enhancing partnering efforts between contractors/government and prime contractor/subcontractor; providing stable environment; and enhancing best commercial practices..
10. Annotate funding in then-year (TY) dollars and in thousands.

**Instructions – Exhibit Multiyear Procurement (Continued)**

**11. The Service shall upload copies of the documents substantiating the MYP decision in the SNaP.**

**12. If a multiyear program is not anticipated, the Component should submit a word document attachment in the SNaP stating a negative report.**

*The SNaP Data Cell Definitions:*

**Class:** System Field: Classification

**C:** CONFIDENTIAL

**C/NF:** CONFIDENTIAL//NOFORN

**F:** FOR OFFICIAL USE ONLY

**S:** SECRET

**S/NF:** SECRET//NOFORN

**U:** UNCLASSIFIED

**System:** The name of the system candidate for multiyear procurement

**Description:** A brief statement describing the MYP.

**BenefitToTheGovt:** Narrative describing/explaining the benefits to the Government.

**Substantial Savings:** Describe/define why the use of a multiyear contract will result in substantial savings of the total anticipated costs of carrying out the program through annual contracts.

**Stability of Requirement:** The minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities. The item should be technically mature, have completed RDT&E (including development testing, or equivalent) and Initial Operational, Test and Evaluation (IOT&E), with relatively few changes in item design anticipated. Deliveries of production items will indicate that the underlying technology is stable. This does not mean that changes will not occur but that the estimated cost of such changes is not anticipated to drive total costs beyond the proposed funding profile.

**Stability of Funding:** Describe/explain why there is a reasonable expectation that throughout the contemplated contract period, the head of the Component will request funding for the contract at the level required to avoid contract cancellation.

**Stable Design:** Describe/explain that there is a stable design for the property to be acquired and the technical risks associated with such property are not excessive.

**Instructions – Exhibit Multiyear Procurement Instructions (Continued)**

**Realistic Cost Estimates:** Describe/explain that the estimates of the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

Estimates should be based on prior cost history for the same or similar items or proven cost estimating techniques. Normally, production assets should have been delivered in order to obtain actual costs for the comparisons (exceptions include satellites and ships).

**National Security:** Explain why the use of a multiyear contract will promote the national security of the United State.

**SourceOfSavings:** Identify the detailed sources of savings, to include, as appropriate, inflation, vendor procurement, manufacturing, design/engineering, tool design, and support equipment. Each identified source of savings must include a narrative description of the specific savings, an estimate for that specific source and how the estimate was derived. The sum of the detailed sources should equal the total savings.

**Advantages:** Identify the advantages (narrative description) the MYP will achieve and how they will achieve them. (See instruction # (10) above).

**ImpactOnDIB:** Narrative description that addresses the impact of the MYP on the defense industrial base (DIB) in terms of both the prime contractor and the vendors/subcontractors, to include the following topics: improved competition, enhanced investment, improvement in vendor skills, training programs, use of multiyear contractors (vendors), and increased production capacity.

***Business Rules***

*Multiyear Procurement Summary: procurement quantity, total contract price, and cost avoidance over annual procurements must equal values shown on MYP-3 exhibit.*

***Subject Matter Experts:*** Questions regarding MYP data requirements should be directed to Ms. Mary Ann McAfee, OUSD (Comptroller), [maryann.mcafee@osd.mil](mailto:maryann.mcafee@osd.mil).

***Technical Issues:*** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

**Instructions – Exhibit Multiyear Procurement Instructions (Continued)****Instructions - MYP-2 Total Funding Plans and MYP-3 Total Contract Funding Plan**

1. The MYP-2 Total Program Funding Plan will compare the funding for the annual proposal and the multiyear proposal and the MYP-3 Total Contract Funding Plan will compare the funding for the annual proposal and the multiyear proposal for the multiyear contract.
2. For each proposed multiyear system, provide the MYP-2 Total Program Funding Plan and MYP-3 Total Contract Funding Plan by P-1 Line Item Number. For each P-1 line item, identify procurement quantity, annual procurement costs (Gross Costs, Prior Year Advance Procurement and Current Year Advance Procurement) , multiyear procurement costs (Gross Costs and Advance Procurement for each fiscal year), cancellation ceiling costs (funded and unfunded), and outlays for the Annual and Multiyear procurements. Use as many columns (FYs) as necessary to display outlays until liquidated. Use the same number of years for both annual and multiyear contract.
3. Identify for each P-1 Line Item Number the associated P-1 Shopping List-Item number taken from the Comptroller's Program Resource Collection Process (PRCP) system.
4. In the remarks column explain the categories of costs included in the cancellation ceiling. Also explain all assumptions (outlay rate, contractor termination liability, other – explain what's behind the numbers).
5. For Total Program Funding (MYP-2), if there are multiple MYPs proposed for the same line item, the annual program should reflect only annual procurements and the multiyear program should reflect funding for all the proposed multiyear programs.
6. The Services and Defense Agencies should perform an independent analysis of the cost and benefits of the contractor's proposal. Explain assumptions (outlay rate, contractor termination liability, other - explain what's behind the numbers). The Total Obligation Authority (TOA) difference on this chart will agree with the cost avoidance over annual line on Exhibit MYP-2 for each MYP contract. The Department's policy is to not have unfunded cancellation ceilings; however, if a program is structured with an unfunded cancellation, reflect those costs on this exhibit and explain fully why the program must be structured with one.
7. An exception, to be approved by the USD Comptroller, is needed to structure a contract with an unfunded cancellation ceiling. Justification explaining why an unfunded cancellation ceiling is the chosen acquisition strategy should be provided. This justification should specify what costs comprise the unfunded cancellation ceiling and why these costs are not funded under the full funding policy.

**Instructions – Exhibit Multiyear Procurement Instructions (Continued)****Instructions - MYP-2 Total Funding Plans and MYP-3 Total Contract Funding Plan**

8. Funds obligated for multiyear contracts must be sufficient to cover any potential termination costs. The costs of cancellation or termination may be paid from (1) appropriations originally available for the performance of the contract concerned; (2) appropriations currently available for procurement of the type of property concerned and not otherwise obligated; or (3) funds appropriated for those payments.
9. Annotate funding in TY dollars and in thousands.

*SNaP Data Cell Definitions:*

**Class:** System Field: Classification

**C:** CONFIDENTIAL

**C/NF:** CONFIDENTIAL//NOFORN

**F:** FOR OFFICIAL USE ONLY

**S:** SECRET

**S/NF:** SECRET//NOFORN

**U:** UNCLASSIFIED

**System:** Open List. System candidate for multiyear procurement

**P1LineItem#:** Closed List. P-1 Line Item number associated to the system. Multiple P-1 Line #s Items may be associated to a system.

**P1ShoppingListItem#:** Closed List. The P-1 Shopping List-Item Number taken from PRCP. Multiple P-1 Shopping List-Item Numbers may be associated to a system

**TypeFundingPlan:** Closed List. Type of funding plan.

***Program:*** Total Program Funding Plan (displayed as MYP-2 Report)

***Contract:*** Total Contract Funding Plan (displayed as MYP-3 Report)

**Category:** Closed List. Category associated to each funding plan.

***ProcQty:*** Procurement quantity

***AnnualProcCosts:*** Costs associated with Annual Procurement Plan

***MultiyearProcCosts:*** Costs associated with Multiyear Procurement Plan

***Outlays:*** Projected Outlays for Annual and Multiyear Procurement Plans

***CancellationCeiling:***

**Instructions – Exhibit Multiyear Procurement Instructions (Continued)****Instructions - MYP-2 Total Funding Plans and MYP-3 Total Contract Funding Plan**

**CostTypes:** Closed List. Cost Types associated with each category.

***Annual:*** Annual Outlays

***AdvProcFY12:*** Advance Procurement FY12

***AdvProcFY13:*** Advance Procurement FY13

***AdvProcFY14:*** Advance Procurement FY14

***AdvProcFY15:*** Advance Procurement FY15

***AdvProcFY16:*** Advance Procurement FY16

***AdvProcFY17:*** Advance Procurement FY17

***AdvProcFY18:*** Advance Procurement FY18

***AdvProcFY19:*** Advance Procurement FY19

***AdvProcFY20:*** Advance Procurement FY20

***AdvProcFY21:*** Advance Procurement FY21

***AdvProcFY22:*** Advance Procurement FY22

***AdvProcFY23:*** Advance Procurement FY23

***AdvProcFY24:*** Advance Procurement FY24

***CYAdvProc:*** Current year advanced procurement costs

***GrossCost:*** Gross Costs (P-1)

***Funded:*** Cancellation Ceiling Funded

***Multiyear:*** Multiyear Outlays

***PYAdvProc:*** Prior Year Advance Procurement Costs

***Unfunded:*** Cancellation Ceiling Unfunded

**TreasuryCode:** Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values can be found on the SNaP website by clicking the "Instructions" tab, then selecting the "Documents". (<https://SNaP.PAE.OSD.MIL>).

***Business Rules***

- 1) Total Annual and Multiyear Outlays cannot exceed Gross Annual Procurement Costs and Gross Multiyear Procurement Costs respectively.*
- 2) Total Annual CY Advanced Procurement must equal Total Multiyear CY Advanced Procurement*

**Instructions – Exhibit Multiyear Procurement Instructions (Continued)**  
Instructions - MYP-2 Total Funding Plans and MYP-3 Total Contract Funding Plan

***Data Matrix: TypeFundingPlan, Category, CostType Relationship***

TypeFundingPlan	Category	CostType
Contract	ProcQty	N/A
	AnnualProcCosts	GrossCost CYAdvProc PYAdvProc
	MultiyearProcCosts	GrossCost AdvProcFY12 AdvProcFY13 AdvProcFY14 AdvProcFY15 AdvProcFY16 AdvProcFY17 AdvProcFY18 AdvProcFY19 AdvProcFY20 AdvProcFY21 AdvProcFY22 AdvProcFY23 AdvProcFY24
	CancellationCeiling	Funded Unfunded
	Outlays	Annual Multiyear
Program	ProcQty	N/A
	AnnualProcCosts	GrossCost CYAdvProc PYAdvProc
	MultiyearProcCosts	GrossCost AdvProcFY12 AdvProcFY13 AdvProcFY14 AdvProcFY15 AdvProcFY16 AdvProcFY17 AdvProcFY18 AdvProcFY19 AdvProcFY20 AdvProcFY21 AdvProcFY22 AdvProcFY23 AdvProcFY24
	CancellationCeiling	Funded Unfunded
	Outlays	Annual Multiyear

**Instructions – Exhibit Multiyear Procurement Instructions (Continued)**  
Instructions – MYP-4 Present Value Analysis

1. All multiyear procurements (MYP), regardless of cost, require the use of a present value analysis to determine lowest cost compared to an annual procurement. This analysis will be completed by the SNaP based on funding plans provided and results displayed as MYP-4 Exhibit (Present Value Analysis).

MYP, page 13 of 14



**Instructions – Exhibit Multiyear Procurement Instructions (Continued)****Instructions – MYP-4 Present Value Analysis**

2. This exhibit will be prepared for the contract values. Then year costs will agree with the outlay amounts contained on MYP-3. Constant costs will be expressed in budget year costs unless specified otherwise in the guidance memorandum requesting submission of the budgets. Computed savings will be for the same number of procurement years and the same quantity in each year under an annual proposal and under a multiyear proposal.
3. Present value analysis will be calculated in accordance with DoD Instruction 7041.3 and OMB Circular A-94.

## Multiyear Procurement Contract Summary

## Multiyear Procurement Contract Summary

Class	WeaponS ystem Type	Contractor	Contract Number	MYPTYPE	Contract Type	MYP Contract Period	Planned Award Date	Award Extension Date	Definitized Date	Auth FY	Auth Act Public Law #
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Auth Act Sect #	Auth Act Remarks	Auth Act <u>Stipulated Savings Percentage</u>	Approp FY	Approp Act Public Law #	Approp Act Section #	Approp Act Remarks	Approp Act <u>Stipulated Savings Percentage</u>	TotalEst/Actual Contract Value
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## Instructions for Completing the Multiyear Procurement Contract Summary

1. For Congressional reporting of new and on-going multiyear procurement (MYP) contracts, identify for each system submitted in the MYP-3 exhibit (Contract Funding Plan) and/or previously approved MYP contracts, the weapons system type, P-1 Line Item (item acquired), the contractor, the contract number, the contract type (new or on-going), contract vehicle type, the MYP contract period, the planned, estimated or actual award date, extension date (if applicable), definitized date, and the total estimated or actual contract value.
2. For “New” approved MYP contracts (Contract Type “New”), identify the fiscal year (FY President’s Budget request), public law number and section number as stated in corresponding fiscal year National Defense Authorization & Appropriations Acts. If approval not granted enter “No Corresponding Approval”.
3. For —On-going approved MYP contracts (Contract Type —On-going), verify and update the fiscal year (FY President’s Budget request), public law number and section number as stated in corresponding fiscal year National Defense Authorization & Appropriations Acts. If approval not granted enter —No Corresponding Approval.
4. For approved MYP contracts, provide the MYP savings (%) stipulated in the Authorization & Appropriations Acts and corresponding comments stipulated in the Defense Acts. If no percentage is specified enter —Not Specified; otherwise enter the percentage and appropriate comments

Multiyear Procurement Contract Summary (Continued)

5. Annotate funding in TY dollars and in thousands.
6. The Multiyear Procurement Contract Summary data must be included in the Program Budget Review submission and the Congressional justification submits each year. Additionally, data should be updated along with the authorization and appropriation enactments
7. The SNaP system will generate the Multiyear Procurement Contract Summary Report from the data provided by the Components.

#### **Definitions for the SNaP Data Input Cells**

**Class:** System Field: Classification

*C:* CONFIDENTIAL

*C/NF:* CONFIDENTIAL//NOFORN

*F:* FOR OFFICIAL USE ONLY

*S:* SECRET

*S/NF:* SECRET//NOFORN

*U:* UNCLASSIFIED

**WeaponSystemType:** Closed list.

*Aircraft:*

*Munition:*

*Ship:*

*Satellite:*

*Vehicle:*

*Command and Control:*

**Contractor:** Open – Partial List Provided. Name of Contractor performing service.

*BAE Systems:*

*Bell/Boeing:*

*Boeing:*

*Boeing/MDA:*

*EDS:*

*Electric Boat:*

*Joint Service MFG:*

Multiyear Procurement Contract Summary (Continued)

*Lockheed Martin:*  
*Northrop Grumman:*  
*Pratt & Whitney:*  
*Raytheon:*  
*Sikorsky:*

**ContractNumber:** Open List. Contract number as seen on the procurement document.

**MYPTType:** Closed List.

*New:* New Contract not previously submitted, MYP would have been approved in the prior President's Budget request, (i.e., those provided in the MYP exhibit).

*On-going:* MYP Contract approved prior to the previous President's Budget request.

**Contract Type:** Closed list. Type of procurement contract.

*CPAF:* Cost Plus Award Fee

*CPFF:* Cost Plus Fixed Fee

*CPIF:* Cost Plus Incentive Fee

*FFP:* Firm Fixed Price

*FFP CPAF:* Firm Fixed Price Cost-Plus-Award Fee

*FFP EPA:* Firm Fixed Price Economic Price Adjustment

*FP:* Fixed Price

*FP EPA:* Fixed Price Economic Price Adjustment

*FPI:* Fixed Price Incentive

*FPIF:* Fixed Price Incentive Fee

*Cost Contract:*

**MYPContractPeriod:** Open List. MYP contract period FYxx-FYyy.

**PlannedAwardDate:** Open List. Date (month and year) the MYP is planned to be awarded

Multiyear Procurement Contract Summary Report, page 3 of 5

Multiyear Procurement Contract Summary (Continued)

**Extension Date:** Open List. Month and year the MYP date was extended. If not applicable enter “NA”.

**Definitized Date:** Date of when final definitized contract is agreed and signed by both the Contractor and the Government.

**Auth FY:** Closed List. Fiscal Year of the President’s Budget Request associated with the National Defense Authorization Act. If not approved enter “No corresponding approval”.

**2010:**

**2011:**

***No Corresponding Approval:*** Multiyear Procurement Contract Summary Report, page 2 of 4

**Auth Act Public Law #:** Closed list. The public law number as seen in the Defense Authorization Act. If not approved enter “No corresponding approval”.

**Auth Act Sect #:** Closed list. The section number as seen in the Defense Authorization Act. If not approved enter “No corresponding approval”.

**Auth Act Remarks:** Narrative text taken from the Authorization Act that stipulates MYP approval. . If not applicable, enter “N/A. If not specified enter “NO”. If specified enter “Yes, and the specific remarks from the Act”.

**Auth Act Stipulated Savings Percentage:** Open list. MYP stipulated percent savings. If not specified enter “Not Specified”.

**Approp FY:** Closed List. Fiscal Year of the President’s Budget Request associated with the National Defense Appropriation Act. If not approved enter “No Corresponding Approval”.

**2010:**

**2011:**

***No Corresponding Approval:***

**Approp Act Public Law #:** Closed list. The public law number as seen in the Defense Appropriation Act. If not approved enter “No corresponding approval”.

Multiyear Procurement Contract Summary (Continued)

**Approp Act Sect #:** Closed list. The section number as seen in the Defense Appropriation Act. If not approved enter “No corresponding approval”.

**Approp Act Remarks:** Narrative text taken from the Appropriation Act that stipulates MYP approval. If not applicable, enter “N/A. If not specified enter “NO”. If specified enter “Yes, and the specific remarks from the Act”.

**Approp Act Stipulated Savings Percentage:** Open list. MYP stipulated percent savings. If not specified enter “Not Specified”.

**TotalEst/Actual Contract Value:** Total estimated or actual contract value of the MYP.

***Business Rules:***

- 1. The MYP Contract Period for “New” contract type must match the contract funding plan (MYP-3)*
- 2. If “No Corresponding Approval” identified for either Auth FY or Approp FY, then applicable Public Law#, Section # and Stipulated Savings Percentage will also be “No Corresponding Approval”.*
- 3. If an Award Extension Date is entered, then the MYP Contract Period must be changed.*

***Subject Matter Experts:*** Questions regarding this data requirement should be directed to **Mary Ann McAfee, OUSD (Comptroller), 703-697-7563.**

***Technical Issues:*** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

**VOLUME 2B, CHAPTER 5: “RESEARCH, DEVELOPMENT, TEST, AND  
EVALUATION APPROPRIATIONS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated December 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
050402	Add Buy and Delivery Schedules as a required exhibit	Addition
050403	Add Buy and Delivery Schedules as a required exhibit	Addition
050404 D	Exhibit R-2: ACAT 1D changed to ACAT 1	Change
050404 F	Exhibit R-3: Add all programs in Budget Activities 4, 5, 7	Change
050404 K	Add Buy and Delivery Schedule Template	Addition
Overall	Annual updates	Refresh

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**CHAPTER 5****RESEARCH, DEVELOPMENT, TEST, AND EVALUATION APPROPRIATIONS**

## 0501 GENERAL

## 050101. Purpose

This chapter provides instructions on budget formulation and congressional justification for Research, Development, Test, and Evaluation (RDT&E) appropriations. The following appropriations are included in RDT&E:

- RDT&E, Army (2040A)
- RDT&E, Navy (1319N)
- RDT&E, Air Force (3600F)
- RDT&E, Defense Wide (0400D)
- Operational Test and Evaluation, Defense (0460D)

## 050102. Submission Requirements

A. General guidance on submission requirements is in Volume 2A, Chapter 1. Chapter 5 provides additional specific requirements on justification material for the above appropriations. Other chapters in the Financial Management Regulation require additional exhibits. The Components will also submit any exhibits required by the Office of Management and Budget ([OMB Circular A-11](#)), Preparation and Submission of Budget Estimates.

B. Military Departments and Defense Agencies will be responsible for clearing the justification material with the Washington Headquarters Services, Directorate for Office of Security Review, prior to transmittal to OMB and the congressional committees.

## 050103. Not Used

## 050104. Preparation of Material

General guidance on format and preparation of material is presented in Volume 2A, Chapter 1. Chapter 5 of this Volume provides additional specific requirements on justification material required for RDT&E appropriations.

## 050105. References

Volume 2A, Chapter 1, Section 010210 provides policies and definitions concerning costs that are to be financed in RDT&E.

## 0502 UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION

## 050201. RDT&amp;E Budget Activities

A. The RDT&E budget activities are broad categories reflecting different types of RDT&E efforts. The definitions are provided below.

B. Budget Activity 1, Basic Research. Basic research is systematic study directed toward greater knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications towards processes or products in mind. It includes all scientific study and experimentation directed toward increasing fundamental knowledge and understanding in those fields of the physical, engineering, environmental, and life sciences related to long-term national security needs. It is farsighted high payoff research that provides the basis for technological progress. Basic research may lead to: (a) subsequent applied research and advanced technology developments in Defense-related technologies, and (b) new and improved military functional capabilities in areas such as communications, detection, tracking, surveillance, propulsion, mobility, guidance and control, navigation, energy conversion, materials and structures, and personnel support. Program elements in this category involve pre-Milestone A efforts.

C. Budget Activity 2, Applied Research. Applied research is systematic study to understand the means to meet a recognized and specific need. It is a systematic expansion and application of knowledge to develop useful materials, devices, and systems or methods. It may be oriented, ultimately, toward the design, development, and improvement of prototypes and new processes to meet general mission area requirements. Applied research may translate promising basic research into solutions for broadly defined military needs, short of system development. This type of effort may vary from systematic mission-directed research beyond that in Budget Activity 1 to sophisticated breadboard hardware, study, programming and planning efforts that establish the initial feasibility and practicality of proposed solutions to technological challenges. It includes studies, investigations, and non-system specific technology efforts. The dominant characteristic is that applied research is directed toward general military needs with a view toward developing and evaluating the feasibility and practicality of proposed solutions and determining their parameters. Applied Research precedes system specific technology investigations or development. Program control of the Applied Research program element is normally exercised by general level of effort. Program elements in this category involve pre-Milestone B efforts, also known as Concept and Technology Development phase tasks, such as concept exploration efforts and paper studies of alternative concepts for meeting a mission need.

D. Budget Activity 3, Advanced Technology Development (ATD). This budget activity includes development of subsystems and components and efforts to integrate subsystems and components into system prototypes for field experiments and/or tests in a simulated environment. ATD includes concept and technology demonstrations of components and subsystems or system models. The models may be form, fit and function prototypes or scaled models that serve the same demonstration purpose. The results of this type of effort are proof of technological feasibility and assessment of subsystem and component operability and

producibility rather than the development of hardware for service use. Projects in this category have a direct relevance to identified military needs. Advanced Technology Development demonstrates the general military utility or cost reduction potential of technology when applied to different types of military equipment or techniques. Program elements in this category involve pre-Milestone B efforts, such as system concept demonstration, joint and Service-specific experiments or Technology Demonstrations and generally have Technology Readiness Levels of 4, 5, or 6. Projects in this category do not necessarily lead to subsequent development or procurement phases, but should have the goal of moving out of Science and Technology (S&T) and into the acquisition process within the future years defense program (FYDP). Upon successful completion of projects that have military utility, the technology should be available for transition.

E. Budget Activity 4, Advanced Component Development and Prototypes (ACD&P). Efforts necessary to evaluate integrated technologies, representative modes or prototype systems in a high fidelity and realistic operating environment are funded in this budget activity. The ACD&P phase includes system specific efforts that help expedite technology transition from the laboratory to operational use. Emphasis is on proving component and subsystem maturity prior to integration in major and complex systems and may involve risk reduction initiatives. Program elements in this category involve efforts prior to Milestone B and are referred to as advanced component development activities and include technology demonstrations. Completion of Technology Readiness Levels 6 and 7 should be achieved for major programs. Program control is exercised at the program and project level. A logical progression of program phases and development and/or production funding must be evident in the FYDP.

F. Budget Activity 5, System Development and Demonstration (SDD). SDD programs have passed Milestone B approval and are conducting engineering and manufacturing development tasks aimed at meeting validated requirements prior to full-rate production. This budget activity is characterized by major line item projects and program control is exercised by review of individual programs and projects. Prototype performance is near or at planned operational system levels. Characteristics of this budget activity involve mature system development, integration and demonstration to support Milestone C decisions, and conducting live fire test and evaluation and initial operational test and evaluation of production representative articles. A logical progression of program phases and development and production funding must be evident in the FYDP consistent with the Department's full funding policy.

G. Budget Activity 6, RDT&E Management Support. This budget activity includes research, development, test and evaluation efforts and funds to sustain and/or modernize the installations or operations required for general research, development, test and evaluation. Test ranges, military construction, maintenance support of laboratories, operation and maintenance of test aircraft and ships, and studies and analyses in support of the RDT&E program are funded in this budget activity. Costs of laboratory personnel, either in-house or contractor operated, would be assigned to appropriate projects or as a line item in the Basic Research, Applied Research, or ATD program areas, as appropriate. Military construction costs directly related to major development programs are included.

H. Budget Activity 7, Operational System Development. This budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year. All items are major line item projects that appear as RDT&E Costs of Weapon System Elements in other programs. Program control is exercised by review of individual projects. Programs in this category involve systems that have received Milestone C approval. A logical progression of program phases and development and production funding must be evident in the FYDP, consistent with the Department's full funding policy.

050202. Establishing RDT&E Program Elements

A. The program element is the primary data element in the FYDP and is the major aggregation, at which RDT&E efforts are organized, budgeted and reviewed. All funding associated with a major system new start should be identified in a unique program element. Requests to establish program elements should be forwarded to Office of the Secretary of Defense (OSD) Cost Assessment and Program Evaluation (CAPE) for coordination and approval. Instructions are contained in DoD 7045.7-H, "The FYDP Program Structure Handbook."

B. In general, the coding symbology identifies the RDT&E budget activity for the program element. Program elements in RDT&E budget activities 1 through 6 will have "06" in the first two positions; "06" indicates it is part of Major Force Program 6, Research and Development. The third and fourth position will identify the specific budget activity (e.g., 0602 is an RDT&E budget activity 2 program element). Program elements in RDT&E budget activity 7 reflect the Major Program of the fielded system in the first two positions (e.g., "01" indicates a strategic system).

0503 INTEGRATED PROGRAM/BUDGET REVIEW SUBMISSION AND PRESIDENT'S BUDGET JUSTIFICATION SUBMISSION

050301. Purpose

This section prescribes instructions for the preparation and submission of the budget estimates and the President's Budget justification materials for the RDT&E appropriations. Unless otherwise specified, these instructions apply to all RDT&E appropriations and to all budgets. See Volume 2A, Chapter 1, Section 0104, of this Regulation for specific printing requirements.

050302. Submission Requirements

A. Administrative Requirements.

1. Classification. Information contained in the budget requests should be unclassified. Where classified information is required in order to explain the program, the classified material will be provided under separate cover and appropriately marked.

2. Exhibits will display the actual fiscal years (i.e., fiscal year (FY) 2012, FY 2013, FY 2014, FY 2015, FY 2016, FY 2017, and FY 2018) rather than the template entries (i.e., PY, current year (CY), budget year (BY), BY+1, BY+2, BY+3, BY+4).

3. If an amended budget is submitted, identify the revised budget exhibits accordingly.

4. All pages will be annotated with the applicable R-1 line item number and page number within the line item (Item 1-1 of 5, 1-2 of 5, 2-1 of 1, 3-1 of 20, etc.) at the bottom center or bottom right of each page. Be consistent for all pages of the backup book.

5. If printing the RDT&E material in one volume is impractical, the justification material can be submitted by budget activity with the S&T budget activities (BA 1 through BA 3) printed in one volume and the remaining budget activities printed in a separate volume or in individual volumes. Each volume should include an R-1 listing and a table of contents indicating the volume and page where the applicable program element can be found.

6. Each backup book will include a discussion of performance metrics in support of requests for program resources, as prescribed in Volume 2A, Chapter 1, Section 010109. Where programs have participated with OMB in the completion of the Program Assessment Rating Tool (PART), the PART summary may be included to fulfill this requirement. Components may also use existing performance measures or create new ones in compliance with this requirement.

7. All Service generated and Defense Agency generated budget exhibits will be created via an extended Markup Language (XML) process. The XML process will result in a PDF file with an XML file attached. The process steps are: (1) Components will create an XML file for each Program Element, based on data definitions provided in an OUSD(C) defined XML schema, (2) OUSD(C) validates the XML file via the same XML schema to ensure compliance, (3) OUSD(C) creates the final PDF version with the original XML file attached, and (4) Components review and submit directly to the OUSD(C) BES/PB site (<https://bes.ousdc.osd.mil/index2.asp>). The XML schema defines the data, data format, legitimate values, and business rules.

8. The process of creating a PDF file from a valid XML file is accomplished via the use of an OUSD(C) defined XML Style sheet. The process steps are: (1) submit an XML file to the Preview section of the OUSD(C) XML Exhibits web site (for Components capable of building an XML file from an internal system, and (2) create an R-2 exhibit manually within the Create/Edit Exhibit R-2s section of the OUSD(C) XML Exhibits website. Components are permitted to build PDF files within their internal systems using the OUSD(C) XML Style sheet. Detail instructions, including the XML schema and XML Style sheet can be located at <http://www.dtic.mil/R2>.

B. The exhibits will be aggregated in the following order for each R-1 line item and submitted in R-1 line item order. The required exhibits shall be packaged in the following order, as applicable: R-2 (PE 1), R-2a (PE 1, Project or Future Naval Capability A),

R-3 (PE 1, Project or Future Naval Capability A), R-4 (PE 1, Project or Future Naval Capability A), R-2a (PE 1, Project or Future Naval Capability B), R-3 (PE 1, Project or Future Naval Capability B), R-4 (PE 1, Project or Future Naval Capability B), etc.

Arrangement of Exhibits – General

R-1 RDT&E Programs  
R-2 RDT&E Budget Item Justification  
R-2a RDT&E Project Justification  
R-3 RDT&E Project Cost Analysis  
R-4 RDT&E Program Schedule Profile  
R-4a RDT&E Program Schedule Detail  
R-5 Termination Liability in Major Acquisition Program RDT&E Contracts DD 1391  
Military Construction Project Data

Submit separately from the justification materials:

R-1C RDT&E Programs - Comparison Report

[Buy and Delivery Schedules](#)

C. [Buy and Delivery Schedules](#). For RDT&E Program Elements where a Component is requesting funding to procure incrementally funded end items and/or test articles, Components must provide production delivery schedules for each incrementally funded end item detailed displaying each fiscal year to include the prior years, the budget years, and each outyear reflected in the Future Years Defense Program (FYDP). The **dollars** and **quantities** shall be **reflected individually** by fiscal year. Quantities shall be broken out individually and by variants, by fiscal year and month, and then cumulatively. Individual quantities and dollars must track to the R-2 and R-2a quantities and funding, procured, and requested.

D. [Facilities Exhibit](#). For improvements to and construction of government-owned facilities funded in RDT&E, a DD Form 1391, Military Construction Project Data, will be provided separately for each budget year project and any PY or CY projects not previously reported. These exhibits will be included with the program element justification. In addition, a copy of all DD Forms 1391 should be packaged together and a copy provided to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Program/Budget (P/B) Investment Directorate and to the Military Personnel and Construction Directorate. A copy of the form and the instructions are in Volume 2B, Chapter 6.

E. [MAX Schedule C](#). OMB Circular No. A-11 has incorporated the requirements for this research and development exhibit into the automated MAX schedule C. Subsequent instructions will be provided by the Office of the Director, Defense Research and Engineering, Plans and Programming Division regarding the specific requirements for this submission to OMB's MAX system.

## \*0504 RDT&amp;E APPROPRIATION SUBMISSION FORMATS

## 050401. Purpose

The formats provided on the following pages reflect requirements presented in previous sections of this chapter.

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## 050403. Exhibits – President’s Budget Request Justification

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## 050404. Detailed instructions for RDT&amp;E Exhibits



## Exhibit R-1: RDT&amp;E Programs

[illegible]



**Exhibit R-1: RDT&E Programs****A. General Instructions:**

1. Unless otherwise specified, this format will be used to present the Research, Development, Test and Evaluation (RDT&E) program to:

a. The Office of the Under Secretary of Defense (Comptroller) in support of the OSD/OMB budget review and,

b. The Congress in support of the President's budget request.

**B. RDT&E Line Item Content:**

The basic document for presenting RDT&E requirements is the Exhibit R-1, RDT&E Programs. The R-1 line items are program elements, which define a development effort with specific design, cost, schedule and capability parameters. All costs of basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, and lease/operation of facilities and equipment will be included in appropriate R-1 line items. The R-1 exhibit will contain the following information:

1. Program element title and number. Appropriate security classification coding should be included as part of each program element title listed. All classified material should be bracketed.

2. Line items will be arranged in ascending program element order within each budget activity.

3. Approved funding for the prior year (PY), the current year (CY), and budget year (BY).

4. Summaries by (1) Budget Activities and (2) FYDP Programs.

(Exhibit R-1, page 2 of 2)

**Exhibit R-1C: RDT&E Programs - Comparison Report**

C. The R-1C Comparison Report will provide a comparison between the last President's budget request and the current program budget review submission. The comparison should identify the changes for each RDT&E appropriation by R-1 line item. The report should also identify appropriation and budget activity totals for each fiscal year for the PY through BY+4 timeframe. If it is necessary to submit classified data, then it should be submitted in a separate report. The unclassified report must match the total for the appropriation/account being submitted. This report will not be included in the justification material provided to the Congress.

## Exhibit R-2: RDT&amp;E Budget Item Justification

Exhibit R-2, RDT&E Budget Item Justification: BES/PB 20xx Service/Agency										DATE: Month/Year	
APPROPRIATION/BUDGET ACTIVITY Appropriation Code: Appropriation Name BA Number: Budget Activity Title						R-1 ITEM NOMENCLATURE Program Element Number: Program Element Title					
COST (\$ in Millions)	FY PY	FY CY	FY BY Base	FY BY OCO	FY BY Total	FY BY+1	FY BY+2	FY BY+3	FY BY+4	Cost to Complete	Total Cost
Total Program Element											
Project Number: Project Title 1											
Project Number: Project Title N											
<b>Note</b> Identify when a Program Element or a Project: 1) is a new start, 2) was terminated/completed, 3) was previously funded, or will be funded, in a different Program Element, or 4) has had a Title change. For Program Element or Project transfers, include the current and previous Program Element number and title, and Project number and title, if applicable.											
<b>A. Mission Description and Budget Item Justification</b> The R-2 shall include a general description and justification of the efforts included in the program element. The R-2A shall include a detailed description and justification of the efforts included in the specific project. Every Project shall include an R-2A exhibit; including where a Project is an aggregate of Congressional Adds. An exception may be to create an R-2 without an R-2A for Single Project PEs. For ACAT 1D programs, identify Cost to Complete and Total Cost for the program and all projects; otherwise, the appropriate value shall be "Continuing". An R-3 Exhibit must be provided for Budget Activity 4, 5, and 7 Programs.											
<b>B. Program Change Summary (\$ in Millions)</b>						<b>FY PY</b>	<b>FY CY</b>	<b>Base FY BY</b>	<b>OCO FY BY</b>	<b>Total FY BY</b>	
Previous President's Budget											
Current President's Budget											
Total Adjustments											
Congressional General Reductions											
Congressional Directed Reductions											
Congressional Rescissions											
Congressional Adds (appropriated)											
Congressional Directed Transfers											
Reprogrammings											
SBIR/STTR Transfer											
Other Adjustment Title 1											
Other Adjustment Title N											
<b>Congressional Add Details (\$ in Millions, and includes General Reductions)</b>								<b>FY PY</b>	<b>FY CY</b>		
Project Number, Project Title 1											
Congressional Add Title:											
Congressional Add Title:											
Subtotal for Project 1											
Project Number, Project Title N											
Congressional Add Title:											
Subtotal for Project N											
Total for all Projects											
<b>Change Summary Explanation</b>											
R-2 Schema 3.4 Template as of 5-19-2010											

## Exhibit R-2a: RDT&amp;E Budget Item Justification (Project)

Exhibit R-2A, RDT&E Project Justification: BES/PB 20xx Service/Agency										DATE: Month/Year	
APPROPRIATION/BUDGET ACTIVITY					R-1 ITEM NOMENCLATURE					PROJECT	
Appropriation Code/ BA Number					Program Element Number: Program Element Title					Project Number: Project Title	
COST (\$ in Millions)	FY PY Actual	FY CY Estimate	Base FY BY Estimate	OCO FY BY Estimate	Total FY BY Estimate	FY BY+1 Estimate	FY BY+2 Estimate	FY BY+3 Estimate	FY BY+4 Estimate	Cost to Complete	Total Cost
Project Number: Project Title											
Quantity of RDT&E Articles											
<p><i>Project Articles are optional. If none are included, the Articles row is not required.</i></p> <p><i>Article Quantities can be included at the Project level and/or Accomplishments/Planned Programs level.</i></p> <p><b>Note</b></p> <p><i>Identify when a Project: 1) is a new start, 2) was terminated/completed, 3) was previously funded, or will be funded, in a different Program Element, or 4) has had a Title change.</i></p> <p><i>For Project transfers, include the current and previous Program Element number and title, and Project number and title, if applicable.</i></p> <p><b>A. Mission Description and Budget Item Justification</b></p> <p><i>Provide a Project overview. For BAs 1, 2 and 3, specify the technology area as defined in annual budget guidance.</i></p> <p><i>Provide a description and justification. Identify the military requirement(s) that this Project will meet. Identify new start efforts for the budget year(s) within the Program Element and new start efforts since the previous President's budget. New start details shall be displayed on the R-2A rather than the R-2.</i></p>											
<b>B. Accomplishments/Planned Program (\$ in Millions, Article in Whole Units)".</b>						<b>FY PY</b>	<b>FY CY</b>	<b>Base FY BY</b>	<b>OCO FY BY</b>	<b>Total FY BY</b>	
Title: Accomplishment/Planned Program Title 1											
Articles											
Description:											
FY PY Accomplishments:											
FY CY Plans:											
Base FY BY1 Plans:											
OCO FY BY1 Plans:											
Total FY BY1 Plans:											
Title: Accomplishment/Planned Program Title N											
Articles											
Description:											
FY PY Accomplishments:											
FY CY Plans:											
Base FY BY1 Plans:											
OCO FY BY1 Plans:											
Total FY BY1 Plans:											
<p><i>Provide a brief description using key terms of the Accomplishment and/or Planned Program. Include objectives, output or end product, and specific program name or major technology effort.</i></p> <p><i>For BAs 1, 2, and 3 also include specific technology terms as defined in budget guidance or provided by the DDR&amp;E.</i></p> <p><i>Accomplishments/Planned Programs Articles are optional. If none are included, the row is not required.</i></p> <p><i>Accomplishments/Planned Programs Descriptions are optional.</i></p>											
<b>Congressional Add Details (\$ in Millions, and includes General Reductions)</b>								<b>FY PY</b>	<b>FY CY</b>		
Congressional Add: Title 1											
FY PY Accomplishments:											
FY CY Plans:											
Congressional Add: Title N											
FY PY Accomplishments:											
FY CY Plans:											
Congressional Add Subtotal											

C. <u>Other Program Funding Summary (\$ in Millions)</u>											
<u>Line Item</u>	FY PY	FY CY	Base FY BY	OCO FY BY	Total FY BY	FY BY+1	FY BY+2	FY BY+3	FY BY+4	Cost to Complete	Total Cost
Line Item #/Title											
<p><i>Note: P-1 Procurement Line Item No./Name; C-1 MilCon Project No./Name; Related RDTE: PE Number/Name (it is not necessary to include the related RDT&amp;E funding profile unless there is a funding dependency between the RDT&amp;E programs).</i></p>											
D. <u>Acquisition Strategy</u>											
<p><i>Note: Acquisition Strategy is NOT required for BA 1, 2, 3, and 6.</i></p>											
E. <u>Performance Metrics</u>											
<p><i>Narrative description</i></p>											
F. <u>Major Performers</u>											
<p><i>Narrative description</i></p>											
<u>Name</u>	<u>Description</u>					<u>Location</u>	<u>Award Date</u>		<u>Funding</u>		
Name	Description					Location	YYYY/MM				
Name	Description					Location	YYYY/MM				
Name	Description					Location	YYYY/MM				
Name	Description					Location	YYYY/MM				
<p><i>Major Performers is required for the BES cycle only.</i></p> <p><i>List major contractors, universities, colleges, government facilities, federally funded research and development centers, laboratories, centers, or other organizations contributing to this effort through BY 1.</i></p> <p><i>List only those who were primary recipients of funds (e.g., received 15% or over \$10 million, whichever is less).</i></p> <p><i>Include name or titles, locations, and brief description of work performed. Include actual or projected award date (month/year).</i></p> <p><i>Tabular data is optional, and can be included in addition to a general description.</i></p>											

**Exhibit R-2a: RDT&E Budget Item Justification (Project)****Exhibit R-2: RDT&E Budget Item Justification****D. General Instructions**

1. An Exhibit R-2 shall be prepared for each program element. An Exhibit R-2a shall be prepared for each project, even if there is only one project and even if a project is funded only in a Prior Year (PY) and/or a Current Year (CY), regardless of funding amount. To provide full funding visibility, every program, project, and activity specifically added by Congress to the President's Budget Request (a.k.a. Congressional Adds) shall be identified within an Exhibit R-2a. The programs, projects, and activities may be treated as individual projects, grouped, but separately identified, in one or more "Congressional Adds" projects, and/or included within "core" projects. Classified material will be submitted separately.

2. All funding within any R-exhibit will be expressed in millions, with three decimal places, unless specifically noted otherwise.

3. Care should be taken to see that exhibits are clear and concise. Abbreviations shall be identified on the page on which they occur.

4. These pages shall be printed on 8 1/2 by 11-inch paper in landscape format.

**E. Exhibit Instructions:**

1. Date. Include the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Exhibit R-2 RDT&E Budget Item Justification. Identify the Budget Cycle/Budget Year/Service Agency Name. Identify BES or PB for Budget Cycle, the Budget Year, and Service Agency Name. Information must match the PRCP (R-1) data base lock position.

3. Appropriation/Budget Activity. Identify Appropriation Code (Treasury Account Symbol) and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. Information must match the RDT&E PRCP (R-1) data base lock position.

4. R-1 Item Nomenclature/Title (Program Element Name). Identify the name of the R-1 line item. Information must match the RDT&E PRCP (R-1) data base lock position.

5. Program Element Number. Identify the program element. Information must match the RDT&E PRCP (R-1) data base lock position.

6. Project Number and Nomenclature. Identify the project number and nomenclature.

7. Resource Summary. The Exhibit R-2 shall include a fiscal resource summary total for the total program element and, if there is more than one project in that program element, a fiscal resource summary for each project in that program element. Ensure the funding matches the

RDT&E PRCP (R-1) data base lock position and that total costs for Acquisition Category 1 programs are consistent with Selected Acquisition Reports.

8. For ACAT 1 programs, identify Cost to Complete and Total Cost for the program and all projects; otherwise, the appropriate value shall be “Continuing”. The XML process will automatically insert “Continuing” if no data is submitted.

9. RDT&E Articles (R-2a only). Identify the test articles (engineering development models, test articles, low rate initial production test article, government furnished equipment articles, etc.) that are being procured and why. Test Articles can be identified for a project and/or for activities identified in Accomplishments/Planned Programs.

10. Program Element and Project Notes. Identify when a program element or project is: (1) a new start, (2) was terminated/completed, (3) was previously funded, or (4) will be funded in a different program element, or Title changes.

11. For program element or project transfers, include the current and previous program element number and names, and projected number and name if applicable.

12. Mission Description and Budget Item Justification. The R-2 will include a description and justification of the efforts included in the program element. The R-2a will include a description and justification of the efforts included in the specific project.

13. Program Change Summary. If there have been changes to the total funding, schedule, or technical parameters since the previous President’s budget submission, the Exhibit R-2 shall include a concise narrative summary explaining the changes in the total program element for PY, CY, and BY. Further adjustments will be broken out into the following categories:

Congressional General Reductions

Congressional Directed Reductions

Congressional Rescissions

Congressional Adds

Congressional Directed Transfers

Reprogrammings

SBIR/STTR Transfers

Total Other Adjustments – (unique titles may be added to describe the change)

14. Congressional Add Details (Exhibit R-2). Each Congressional Add will be identified separately by project and may be included as: (1) an individual project, (2) as groups in one or more “Congressional Add” projects, and/or (3) within “core” projects. The title (provided by Congress) and the funding for PY and CY will be listed in a bullet format. Congressional Adds should include only funding provided by Congress.

15. Change Summary Explanation. Provide a concise narrative summary explaining the changes in the total program element.

16. Accomplishments/Planned Programs (Exhibit R-2a). Provide a concise narrative summary and associated funding for each project for PY, CY, and BY in a bullet format. The total funding reflected should match the total project funding.

17. Other Program Funding Summary (Exhibit R-2a). Development projects often lead to subsequent development phases, production, and military construction. Also, some projects may depend on concurrent development in other projects. These related efforts and the funding profiles for other appropriation efforts shall be identified by appropriation, budget activity, R-1 line item and program element, and P-1 line item title and number. If there are funding dependencies among related research, development, test, and evaluation programs, then the funding profiles for these related programs shall be included.

18. Acquisition Strategy (Exhibit R-2a). An explanation of acquisition, management, and contracting strategies shall be provided for each project. This section is not required for Program Elements in Budget Activities 1, 2, 3 and 6.

19. Major Performers (Exhibit R-2a). This data is required for the program budget review submission only.

20. Performance Metrics: See sections 010109 and 050302.A.6



## Exhibit R-3: RDT&amp;E Project Cost Analysis

Exhibit R-3, RDT&E Project Cost Analysis: BES/PB 20xx Service/Agency										DATE: Month/Year			
APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE				PROJECT NAME AND NUMBER					
Appropriation Code/BA Number				Program Element Number: Program Element Name				Project Number: Project Title					
Product Development (\$in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Primary Hardware Development, Ancillary Hardware Development, Systems Engineering, Licenses, Tooling, GFE, and Award Fees.													
Support (\$in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Development Support, Software Development, Training Development, Integrated Logistics Support, Configuration Management, Technical Data, and GFE.													
Test & Evaluation (\$in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Developmental Test & Evaluation, Operational Test & Evaluation, Tooling, and GFE.													
Management (\$in Millions)				FY CY		FY BY Base		FY BY OCO		FY BY Total			
	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item 1	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Cost Category Item N	See notes below	Activity/Location			Mon/Year		Mon/Year		Mon/Year				
Subtotal:													
Remarks: Typical Cost Categories are: Contractor Engineering Support, Government Engineering Support, Program Management Support, Program Management Personnel, Travel, Labor (Research Personnel), and Overhead.													
				CY Cost		Cost		Total Cost	Cost	Total Cost	Cost To Complete	Total Cost	
Project Total Cost:													
Remarks:													
An R-3 Exhibit shall be provided for BudgetActivityNumber 4, 5, or 7 PEs. The Project Total Cost shall equal the Project Cost on the R-2A. Contract Method may be any one of: C, SS, TBD, or Various. Contract Type may be any one of: CPAF, DPFF, DPIF, FP, FFP, FPI, TBD, or Various. Funding Vehicle may be any one of: Allot, BPA, FFRDC, MIPR, PO, Reqn, RO, TM, or Various.													

**Exhibit R-3: RDT&E Project Cost Analysis****F. General Instructions:**

1. The R-3 exhibit is required for all programs funded in budget activities 4, 5, and 7, regardless of funding amount or acquisition category. A separate R-3 exhibit shall be prepared for each project in an applicable R-1 line item.

2. These exhibits shall be printed on 8 1/2 by 11 inch paper in landscape format. Classified material shall be submitted separately.

3. All funding within any R-exhibit will be expressed in millions, with three decimal places.

**G. Exhibit Instructions:**

1. Identify the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Appropriation Code (Treasury Account Symbol)/ and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. This information must match the PRCP (R-1) lock position.

3. R-1 Item Nomenclature/Title (Program Element Name): Identify the name of the R-1 line item as identified in PRCP (R-1) lock position.

4. Program Element Number: The Program Element must be unique. An R-2 Exhibit with a Budget Activity Number that is different from the previous years should include PY and CY information within the current R-2 Exhibit.

5. Project Number and Nomenclature: Identify the project number and nomenclature as identified in PRCP (R-1) lock position.

6. Project Cost Categories. Cost information shall be provided for each project regardless of funding amount, with project costs broken down into cost categories. Total of all project costs shall equal the project funding for any funding years. Sample cost categories shown are typical of various types of defense research and development efforts. Costs shall be distributed among categories in accordance with the project work breakdown structure (WBS) or other categories used by the project office in project execution. The illustrated sample cost categories may be used if these correspond to the project's structure; however, there is no requirement to use cost categories other than those used by the project office in project execution. Sample cost categories not used in project execution need not be included in the exhibit for that project. If the program office tracks efforts by major contract, then display the information accordingly. The cost categories shall be separated into 4 information categories as follows:

7. Product Development. Efforts associated with the delivery of a fully integrated system that are in direct support of the system and essential to the development, training, operation, and

maintenance of the system. Include all efforts directly supporting system development and delivery to include primary contracts, major component contracts, contracted services, in-house support, and government furnished property. Contracts or government efforts greater than \$1 million in any displayed budget year shall be reported individually.

8. Support Costs. Efforts not directly associated with the delivery of the primary product, including technical engineering services, research studies, and technical support not related directly to product development or to testing and evaluation. Contracts or government efforts greater than \$1 million in any displayed budget year shall be reported individually.

9. Test and Evaluation. Efforts (other than those included within contracts or government efforts included above) associated with engineering or support activities to determine the acceptability of a system, subsystem, or component. Contracts or government efforts greater than \$1 million in any displayed budget year shall be reported individually.

10. Management Services. Efforts associated with services provided in support of program office management and administration processes such as: program oversight, resource justification, budget and programming, milestone and schedule tracking. Federally Funded Research and Development Centers (FFRDCs) are in this category. Contracts or government efforts greater than \$1 million in any displayed budget year shall be reported individually.

11. Government Furnished Property. Property, such as hardware, software, or information, which the government is contractually obligated to furnish a contractor or government performing activity shall be identified. Provide a brief identification of the item to be provided, and the contractor or government activity providing the item. Provide estimated date that the government furnished property will be provided to the requiring contractor or activity. Provide the name of the requiring contractor or activity.

12. Award Fees. Identify amounts budgeted for award fees and indicate contractor performance and percentage of award fees actually awarded in past award fee periods.

13. Contract Method/Type or Funding Vehicle. The following codes shall be used to identify the contract method, contract type, and funding vehicle:

<u>Contract Type</u>	<u>Contract Method</u>
FP	- Fixed Price    SS    -Sole Source
CPIF	- Cost Plus Incentive Fee    C    -Competitive
FPI - Fixed Price Incentive	TBD – To Be Determined
CPAF - Cost Plus Award Fee	
CPFF - Cost Plus Fixed Fee	
FFP - Firm Fixed Price	
TBD -To Be Determined	
VAR -Various	

Funding Vehicle (when a government agency is the performing activity)

MIPR - Military Interdepartmental Purchase Request

PO - Project Order  
WR - Work Request  
Allot - Allotment  
Reqn - Requisition  
BPA - Blanket Purchase Agreement  
FFDC - Federally Funded Research and Development Center  
VAR - Various

14. Performing Organizations. Identify each contractor and government or performing activity and the location for each effort greater than \$1 million in any of the displayed years.

15. Total PY Cost. Provide actual amounts for the total of all years before the current year (CY).

16. CY - BY. Provide actual or budget amounts for each year for current year (CY), budget year (BY).

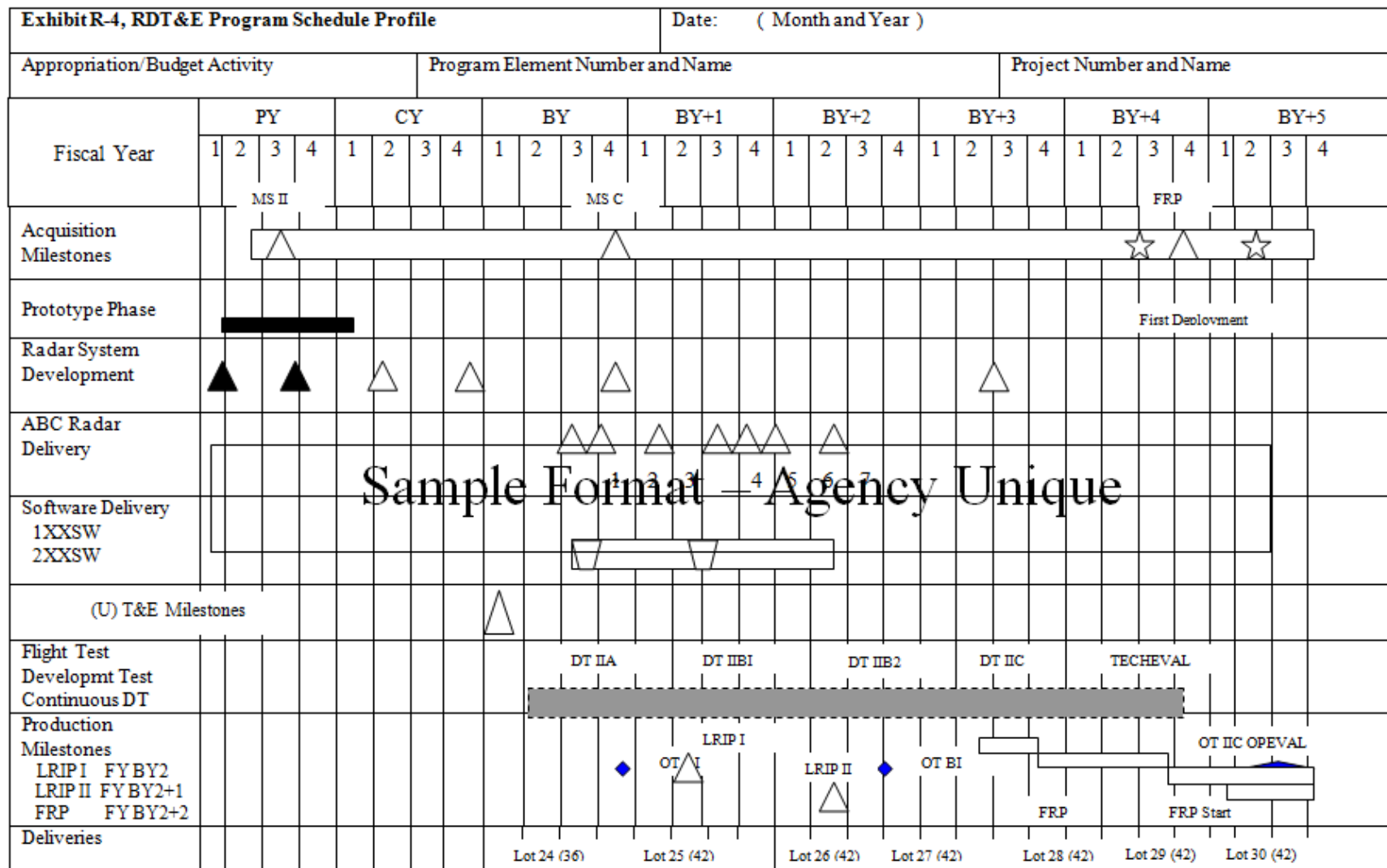
17. Award or Obligation Date. Provide actual or estimated date of contract award or the estimated date that funds will be obligated to government performing activities.

18. To Complete. Provide the amount required to complete this effort beyond.

19. Total Cost. Provide the cumulative total of all budgeted funds for the program (including funds obligated/budgeted for PY, CY, BY and to complete). Provide a comment in the Remarks section when the Project Office Estimate at Completion (EAC) differs from the total cost. Also provide a comment when the Performing Activity EAC differs from the Project Office EAC.

20. Target Value of Contract. Identify the target value of the contract and explain those cases where total cost differs significantly. For example, if the budget is at ceiling value of the contract vice target value or if budget is "program manager's best estimate" vice target value, then explain.

Exhibit R-4: RDT&amp;E Schedule Profile



R-1 Line Item No. XX

(Page X of X)

R-4 Program Schedule Profile

## Exhibit R-4a: RDT&amp;E Schedule Detail

[illegible]

**Exhibit R-4: RDT&E Schedule Profile****Exhibit R-4a: RDT&E Schedule Detail****H. General Instructions:**

1. The R-4 and R-4a exhibits are required for all programs or projects funded in budget activities 4, 5, and 7 only. Separate R-4 and R-4a exhibits shall be prepared for each project in an applicable R-1 line item.

2. These exhibits shall be printed on 8 1/2 by 11 inch paper in landscape format. If a program element is not divided into projects, then the program element itself is defined as a project for purposes of submitting R-4 and R-4a exhibits, and the exhibits and instructions apply to the entire program element. Classified material shall be submitted separately.

**I. Detail Instructions:**

1. Date: Identify the month and year of submission of the exhibit. If an Amended Budget is submitted, identify the date of the revised submission.

2. Appropriation Code (Treasury Account Symbol) and Name/Budget Activity Number and Title. Identify the appropriation and budget activity. The budget activity must match the RDT&E service annex and data base lock position.

3. R-1 Item Nomenclature: Identify the name of the R-1 line item as identified in PRCP (R-1) lock position.

4. Program Element Number and Name: Identify the number and nomenclature of the program element as identified in PRCP (R-1) lock position.

5. Project Number and Nomenclature: Identify the project number and nomenclature on each page as identified in PRCP (R-1) lock position.

6. For the R-4, Schedule Profile, provide a schematic display of major program milestones that reflect engineering milestones, acquisition approvals, test and evaluation events, and other key milestones for the program events. Cover the program years not just the budget year. Stub entries should be tailed to the events and activities of the reported program. Congressional 'staffer day' briefing formats are acceptable. Software for this display should be embedded for web site formatting.

7. For the R-4a, Schedule Detail, provide a tabular display of the major program milestones identified on the R-4 as well as any additional programmatic events that contribute to and support the schedule profile identified on the R-4.





**Exhibit R-5: Termination Liability in Major Acquisition Program RDT&E Contracts**

## J. General Instructions:

Components will report the funds budgeted for termination liability within ACAT I RDT&E programs. Guidance for budgeting for termination liability on incrementally funded RDT&E contracts is found in Volume 2A, Chapter 1, Section 010214. As applicable, identify the funded levels specified in the contract by year. If termination liability funding is not budgeted, provide a copy of the appropriate waiver authority

## \* Buy and Delivery Schedules Template

Component's Name (Navy, Air Force, Army, Marine, Defense Wide Agency)											
Research, Development, Test and Evaluation (RDT&E)											
Buy and Delivery Schedule											
Program Title:											
Budget Activity:								Program Element:			
Item	Appropriation	Prior Years	PY	CY	BY	BY+1	BY+2	BY+3	BY+4	BY+5	All Years
		Actual		Planned							
<b>Program Title (ABC-1)</b>	0400										
Buy \$ for FY (\$M)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buy Quantity for FY		1	1	1	1	1	1	1	1	0	8
Cumulative Buy Quantity			1	2	3	4	5	6	7	7	15
Delivery Quantity for FY <sup>1</sup>				1		1		1	1		4
Cumulative Delivery Quantity <sup>1</sup>			0	1	1	2	2	3	4	4	8
Quantity Expended in FY						1		1		1	2
Inventory [Cumulative Deliver Qty - Qty Expended in FY]			0	1	1	1	2	2	4	3	6
<b>Program Title (ABC-2)</b>	0400										
Buy \$ for FY (\$M)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buy Quantity for FY					5	1	1	1	1	0	9
Cumulative Buy Quantity			0	0	5	6	7	8	9	9	18
Delivery Quantity for FY <sup>1</sup>							5	1	1	1	8
Cumulative Delivery Quantity <sup>1</sup>			0	0	0	0	5	6	7	8	15
Quantity Expended in FY								1		1	1
Inventory [Cumulative Deliver Qty - Qty Expended in FY]			0	0	0	0	5	5	7	7	14

<sup>1</sup> Insert additional columns for deliveries beyond BY+5 to complete buy deliveries

Buy and Delivery Template PBR/PB14

Buy and Delivery Template PBR/PB 14

## VOLUME 2B, CHAPTER 6: “MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATIONS”

### SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by a \* preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue and underlined font\*\*\*](#).

The previous version dated December 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
060105.C1	Updates responsibilities for OSD I&E	Update
060106.B1	Includes additional guidance related to the Family Housing Improvement Fund (FHIF).	Update
060202.A2	Changes Family Housing Post Acquisition Construction to Construction Improvements.	Update
060301.B1n	Add submit Guard and Reserve Joint Military Construction Project Exhibit, MC-2	New
060302.B6	Changes Family Housing Post Acquisition to Construction to Construction Improvements	Update
060302.B20c	Revised the FH-5 GFOQ Anticipated Expenditures to include leasing and utilities costs	Update
060302.B20d	Includes guidance and format for new FH-6-BES Housing Privatization Comparison and FH-13 Details of Awarded Privatization Projects.	New
060306.B1	Includes new FH-14 FHIF Admin Requirements guidance and format	New
060307	Changed this section from Unaccompanied Housing to MHPI Investments and Credit Financing to include guidance for Reestimates, Federal Credit Budget (OMB MAX Schedules), and Credit Supplemental Reporting, and new FH-15 Reestimate Cash Flow Status.	New
060404.A6	Added the FH-6-BES to be excluded from the Congressional justification material.	New
060503	Updated the list of Family Housing exhibits	Update

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## CHAPTER 6

**MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATIONS**

## 0601 GENERAL

## 060101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Military Construction, Family Housing, Homeowners Assistance and North Atlantic Treaty Organization (NATO) Security Investment Program appropriations.

B. The following appropriations and accounts are covered:

Paragraph

060201: Military Construction  
Military Construction, Army  
Military Construction, Navy and Marine Corps  
Military Construction, Air Force  
Military Construction, Defense-Wide  
Military Construction, Army National Guard  
Military Construction, Air National Guard  
Military Construction, Army Reserve  
Military Construction, Navy Reserve  
Military Construction, Air Force Reserve  
Chemical Demilitarization Construction, Defense

060202: Family Housing  
Family Housing, Army  
Family Housing, Navy and Marine Corps  
Family Housing, Air Force  
Family Housing, Defense-Wide

060203: Homeowners' Assistance  
Homeowners' Assistance Fund, Defense

060304: NATO Security Investment Program

060305: NATO Security Investment Program  
NATO Enlargement

060306: Family Housing Improvement Fund

## 060102. Submission Requirements

General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter covers specific back-up material requirements for the above



accounts. The above appropriations/accounts should also submit any applicable exhibits required in Volume 2B, Chapter 19 – Other Special Analyses.

060103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. This chapter provides additional specific guidance with regard to the back-up material required for Military Construction, Family Housing Homeowners Assistance and NATO Security Investment Program appropriations.

060104. References

Volume 2A, Chapter 1, section 010212 provides policies and definitions concerning costs that are to be financed by the Military Construction appropriations as opposed to other appropriations for Research and Development facilities.

060105. Family Housing Program Policies and Guidelines

A. Purpose

1. This section outlines the service aspects of the Family Housing Program; establishes policies and guidelines for program financial management, budgeting, accounting, and reporting; and assigns responsibilities for executing the program. Specific procedures for the administration and management of program funds are set forth in section 060106, below.

2. The Family Housing Program encompasses Military Family Housing as defined and authorized by the provisions of [Title 10, United States Code \(U.S.C.\), Chapter 169](#), and includes all Department of Defense (DoD) Component family housing in the Defense Family Housing Property Account, leases of real property utilized by DoD Components for family housing, and associated family housing support services programs.

B. Policy

1. It is DoD Policy: 1) to provide Military Family Housing for military families and for eligible civilian families only when suitable housing in the community does not exist; 2) to provide for the housing and support services, as authorized by law, that are necessary to meet the requirements of the DoD; 3) that the program shall be financed and managed in the most cost effective and efficient manner possible in order to support these requirements and to maximize the use of available program resources; 4) that the program shall include the provision of assistance to all military personnel and certain eligible civilians in locating and utilizing privately owned housing including leasing; 5) that the program shall include, within available resources, the provision of Government-owned or leased family housing and furnishings (referred to as Defense Family Housing Property); and 6) that the program shall include the efficient and effective financial and program management of Defense Family Housing Property, including acquisition, privatization, operation, improvement, maintenance, debt financing, leasing, and family housing support programs.

\*

C. Responsibilities

1. The Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) is responsible for program management as set forth in [DoD Instruction 4165.63, "DoD Housing,"](#) dated July 21, 2008, and DoD 4165.63-M, "DoD Housing Management," manual dated October 28, 2010, which also addresses Unaccompanied Housing. [Effective June 6, 2011, Family Housing oversight responsibilities were realigned, with the Facilities Energy and Privatization Directorate \(FE&P\) within the Office of the Deputy Under Secretary of Defense \(ODUSD\) \(Installations and Environment\) \(I&E\) retaining oversight of privatization initiatives, including family and unaccompanied housing privatization; and Facilities Investment & Management Directorate \(FIM\) within I&E assuming oversight responsibilities of government-owned family and unaccompanied housing, including housing leasing authorities and Homeowner's Assistance Program \(HAP\).](#) The Under Secretary of Defense (Comptroller) (USD(Comptroller)) is responsible for financial management, program budget policies, program accounting policies, and financial reporting. As prescribed by the USD (Comptroller), the Director, Defense Finance and Accounting Service, is responsible for central accounting and financial reporting for the program. The Secretaries of the Military Departments and the Directors of the Defense Agencies, as prescribed by DoD Directive 4165.63, are responsible for execution of the program for personnel under their respective jurisdictions, including program and financial management, accounting and reporting.

2. In the financial management and execution of the program, DoD Components shall conduct program budget formulation, presentation, and execution in accordance with the guidance and provisions contained in this chapter and adhere to the program accounting and financial reporting guidance and provisions contained in Volume 4.

D. Objectives and Procedures

1. This section outlines the objectives and procedures of the Family Housing Program and is divided into the following subsections: assistance in locating and utilizing privately owned family housing; Defense Family Housing Property; and, management of Defense Family Housing Property.

a. Assistance in Locating and Utilizing Privately Owned Family Housing. Assistance provided to DoD personnel to obtain privately owned family housing under the program includes privatized housing referral service including administration of private rental housing for DoD personnel overseas; DoD leasing of private housing; rental guarantee payments pursuant to Public Law 88-174, section 507, Military Construction Authorization Act, 1964 as amended and; service members' mortgage insurance payments on their privately owned housing made pursuant to [Title 12, United States Code \(U.S.C.\), Chapter 13, section 1701,](#) the National Housing Act, as amended.

b. Defense Family Housing Property. All DoD-owned or DoD-controlled physical property described below will be managed and controlled under the Family Housing Program. The properties will be recorded in a property account entitled the Defense Family Housing Property Account, which should be fully consistent with the DoD Real Property Inventory and Select & Native Programming (SNaP) databases. Guidance for the maintenance of property accounting records is contained in Volume 4. A continuing permanent

accounting record will be maintained of the real property included in each installation's Family Housing Property Account. Appropriate classifications will be entered on the records to distinguish between real and personal property. Property will be removed from the Defense Family Housing Property account when the property is disposed of as (DoD property), when it is transferred to DoD non-family housing use. The Report Control Symbol assigned to the special record keeping requirements is DD-COMP (AR)1501.

(1) The Defense Family Housing Property Account includes the following properties, under the jurisdiction of the DoD, to which the Government has a right, title, or interest, with exceptions noted in paragraph 060105D.1.b.(2) below.

(a) All types of family dwelling units and mobile home park facilities, without regard to the military status of the occupant and including housing that is: located on or off station, owned or leased, occupied or unoccupied; situated in dispersed locations or in community-type areas; located at an active, inactive, standby, or reserve facility; or, operated or maintained by the Government, directly or by contract.

(b) Non-dwelling buildings directly associated with family dwelling units or a family housing area, including structures outside the housing area required solely for family housing support.

(c) Roads, driveways, walks, and utility systems which primarily serve family housing units or areas.

(d) The grounds area of a group of family housing units and the yards of dispersed family housing units or areas.

(e) Community facilities which are integral to a family housing area and are available for use only by family housing area residents and their house guests.

(f) Fixtures and other appliances or equipment in a housing unit that are either integral components or movable items, such as: refrigerators, kitchen ranges and, when authorized, food freezers, room air- conditioners, washing machines, clothes dryers, dishwashing machines, garbage disposals, exhaust fans, roof or attic television antennas; and those appliances provided for family housing rented privately by DoD personnel in areas outside the conterminous United States, pursuant to DoD 4165.63-M.

(g) Furniture, furnishings, and other personal property that are directly associated with providing and supporting family housing units, including personal property provided for use outside the conterminous United States, pursuant to DoD 4165.63-M.

(2) The Defense Family Housing Property Account excludes the following properties, irrespective of the Government's right, title, or interest therein:

(a) Aerial roads, public walks, utility lines, and utility mains that may pass through or in front of family housing locations but serve those locations as an incidental or secondary purpose to other station requirements.

(b) Facilities similar to hotels or motels, which are provided for temporary family occupancy.

(c) Community facilities which are not integral to a family housing area or are available for use by other than family housing area residents and their house guests.

(d) Educational facilities.

(e) Telephone and other communication facilities for official use, and telephone facilities for unofficial use, installed in a family housing unit.

(f) Community Antenna Television distribution service by other Government agency, commercial cooperative, or private enterprise.

(g) Properties financed by and supporting the Defense Security Assistance Program.

(h) Food service facilities.

(i) Facilities used primarily for religious services or religious activities.

c. Management of Defense Family Housing Property. Management undertakings, which arise in connection with the DoD responsibility for and jurisdiction over Defense Family Housing Property, include:

(1) The acquisition, privatization, construction, and replacement of family housing facilities and the preliminary planning and design studies on prospective projects, including housing requirement surveys.

(2) The conversion of other real property facilities to family housing quarters.

(3) The upgrading to “adequate public quarters” of those family dwelling units designated as rental, substandard, or inadequate.

(4) The alteration of, or addition, expansion, or extension to, family housing facilities.

(5) The outfitting of family housing facilities, as defined in paragraph 060105D.1.b above, with fixtures and other equipment that are either integral components or movable items of major equipment of a housing unit, including major appliances; and furniture, furnishings, and other personal property. This function includes maintenance and repair.

(6) The maintenance and repair of family housing facilities.

(7) The furnishing of the following services to family housing facilities: utilities services, except telephone service and cable television; refuse collection and disposal; insect and rodent control; snow removal; handling and moving Government-owned furnishings; police and fire protection; and, administrative, supervisory and clerical services related to the performance of services rendered the family housing facilities.

(8) The maintenance and security of family housing property declared excess to DoD needs, which rests with the DoD Component until the Department of Defense is relieved of this responsibility. The following rules and principles apply:

(a) If the property is being disposed of by the General Services Administration (GSA), the transfer of financial responsibility to GSA will be in accordance with Federal Property Management Regulations, Part 101-47, 402.

(b) When the Department of Defense recommends to GSA that disposal of excess property be delayed because of economic considerations and a contract has been made with a local agency to rent the property and to protect and maintain it, the residual financial responsibility for maintenance and security rests with the Department of Defense.

(c) It has been agreed with the GSA that, in interpreting property disposal regulations, the Department of Defense will be deemed to have declared the property excess to GSA on the date that the protection and maintenance contact is discontinued.

060106. Family Housing Procedures for Administration and Management of Program Funds

A. Purpose

This section outlines the procedures for the administration and management of funds appropriated or otherwise made available to the DoD for the Family Housing Program including: authorized reimbursements; application of proceeds from sales or handling of excess family housing for debt service; administration of separate “fixed year” and “annual” accounts; and clarification and amplification of certain financial administration procedures.

\* B. Treasury Accounts

For [Family Housing](#) Construction, funds are appropriated to remain available for five years. For [Family Housing](#) Operation and Maintenance (O&M), funds are appropriated with annual account limitations. For the [Department of Defense Family Housing Improvement Fund \(FHIF\)](#), funds are appropriated to support [Military Housing Privatization Initiative \(MHPI\)](#) administrative program expenses, including accounting and financial reporting services, and remain available until expended. These and other funds made available for family housing are administered under the Treasury accounts outlined in Volume 2A, Chapter 1, section 010603 of this Regulation.

C. Funding the Family Housing Program

1. The Family Housing Program will be financed from:

a. Those funds primarily appropriated for family housing purposes.

b. Authorized reimbursements and collections from housing rentals and services furnished as set forth below:

(1) Charges will be made for rentals and services furnished certain occupants or users of family housing facilities. The amount of rent charged shall be determined in accordance with the provisions of DoD 4165.63-M. Disposition of the proceeds of handling or disposal of excess family housing property is treated in subparagraph 060106.C.1.c, below.

(2) Those collections for rents and services which will be utilized to finance family housing expenses in accordance with applicable statutes are listed below. Such reimbursements will be utilized within the financial authority issued by the Office of the Under Secretary of Defense (Comptroller) OUSD (Comptroller) but limited to the amount of reimbursements earned.

(3) Collections received for rental of Defense housing shall be utilized within the applicable DoD Component family housing account to defray O&M expenses. If the housing is rented with Government furniture provided, the combined total charge for shelter rent and furniture rent shall be treated as indicated above.

(4) Collections from the sale of utilities and services will be utilized within the appropriation currently available for the supply of that utility or service in accordance with the authority set forth in [Title 10, United States Code \(U.S.C.\), section 2686](#).

(5) Collections from other agencies related to O&M charges pursuant to Title 31 United States Code, section 686 will be effected.

(6) When nonexcess family housing property is leased, pursuant to [Title 10 United States Code \(U.S.C.\), section 2667](#), rental moneys received will be deposited in a special account in the U.S. Treasury established for DoD Components for

allocation as prescribed in Title 10 United States Code (U.S.C), section 2667. Moneys received for utilities or services will be deposited to the applicable DoD Component family housing account.

(7) For accounting purposes, those reimbursements described above to be used for O&M purposes will be identified as financing the operations portion of the O&M expenses.

(8) All collections for family housing rents or services, other than those described above and in subparagraph 060106.C.1.c, below will be deposited to Treasury Miscellaneous Receipt Account 1830, "Rent of Real Property not Otherwise Classified," under a citation which includes the appropriate DoD Component two-digit prefix symbol. Such collections include those to cover costs of repairing damages to family housing facilities (including replacement of items) caused by family housing occupants.

c. Other funds which are available from disposal of excess family housing property as set forth below:

(1) In the case of family housing in the United States disposed of pursuant to Public Law (P.L.) 101-526, Title II, the Defense Authorization Amendments and Base Closure and Realignment Act or Public Law 101-510, Defense Base Closure and Realignment Act of 1990, the proceeds should be deposited in the Department of Defense Base Closure Account 1990.

\* (2) In the case of family housing disposed of under authorities contained in Title 10 United States Code (U.S.C.), section 2871-2885, as added by section 2801 of the National Defense Authorization Act for FY 1996, for purposes of using the proceeds to carry out activities authorized under those provisions, the proceeds should be deposited in the DoD Family Housing Improvement Fund (FHIF). [Section 2883\(d\) limits the funds that can be expended from the account to such amounts as provided in the appropriations act. Therefore, non-appropriated proceeds deposited into the FHIF account cannot be used to fund privatization projects, without it being appropriated, first.](#)

(3) In the case of family housing overseas disposed of under circumstances which fall within the provisions of Public Law 101-510, section 2921 as amended, the proceeds should be deposited in the Defense Overseas Military Facility Investment Account.

(4) In the case of family housing disposed of under other circumstances, the proceeds should be deposited in the appropriate military family housing account.

2. Family Housing Program costs will be programmed, budgeted and accounted for by the DoD Component having responsibility for the Defense installation or housing area, regardless of the DoD Component of the housing occupant. Reimbursement for such costs will not be made between DoD Components.



3. **Funding** will be on a program-year basis. The detailed program-year criteria for the major functional categories and for the immediate subordinate accounts is set forth below:

a. The program year for the undertakings (projects for new construction, acquisition of housing, construction improvements, and minor construction) shall be the same as the year of the applicable annual Military Construction Authorization Act.

b. After the program year for a specific project is established as provided above, the related appropriation for that project will be administered under the designated program year, irrespective of when the work is undertaken. In the event there are savings due to lower bids, change in scope, etc., these savings may be reprogrammed for projects authorized in different program years in accordance with guidance provided in Volume 3, Chapter 5, "Reprogramming of Military Construction and Family Housing Appropriated Funds".

c. For planning and design, which is a "level of effort" type activity, the following program year concept applies:

(1) Budget estimates for the budget year and each future year will include the planning and design work programmed to be placed on contract or intragovernmental order during the program year and the planning and design work expected to be performed with in-house capabilities during the program year. The dollar value of a planned program will be determined on the basis of estimated obligations to be incurred during the program year for the program scope embraced by subparagraphs 060106.C.3.a and b, above.

(2) Obligation authorities will be requested and issued by program year on the basis of obligations estimated to be incurred as a result of the issuance during the program year of contracts or other orders which constitute valid obligations pursuant to Volume 4 for planning and design work, irrespective of when the work is to be performed and the accomplishment during the program year of planning and design work with in-house capability. Obligations will be charged by program year on these same bases.

(3) Adjustments to obligations charged against a prior program year will be made only to the extent of an adjustment in the amount of an obligation recorded for specific work ordered in that prior program year or deobligations to reflect cancellation of work ordered in that prior year. New obligations for planning and design work for a particular project which are in addition to that ordered in prior program years for that project are charges against the program year in which those new obligations are incurred.

d. For rental guarantee payments, the program year shall be the fiscal year in which the rental guarantee payments are obligated. No new obligations may be incurred under a program year obligation authority after the close of that program fiscal year. Adjustments to obligations for rental guarantee payments may be made as necessary to reflect actual obligations incurred during the fiscal program year in accordance with existing procedures covering adjustment to annual accounts.

e. The major functional categories of O&M and debt payment are considered "level of effort" type activities. Program planning and budget estimates for these



categories will be developed in accordance with that concept. Obligational authority for O&M and debt payment will be requested and issued by program year and will not be available for new obligations after the close of the fiscal year for which such authority is issued. Adjustments to obligations for O&M and debt payment may be made as necessary to reflect actual obligations incurred during the fiscal program year in accordance with existing procedures covering adjustment to annual accounts.

4. Economic analysis will be applied to all program investment proposals in accordance with this manual which sets forth budget submission requirements.

5. Apportionment of funds and issuance of financial authorities will be obtained as follows: each DoD Component (except Defense Agencies) shall submit to the OUSD (Comptroller) an apportionment request, [as prescribed in DoD FMR Volume 3, Chapter 2, "Apportionments and Reapportionments,"](#) then the OUSD (Comptroller) will issue specific financial authority to the DoD Components concerned in such amounts and at such levels as appropriate for efficient and economical administration of the Family Housing Program.

6. For the Construction category, Office of the Secretary of Defense (OSD) program approval and obligating authority will be provided by fiscal year, generally at the construction element level (immediate subordinate account level) or at project level where circumstances warrant. Volume 3 defines the scope of realignment authority delegated to the DoD Components. All program/fund realignments will be reported in accordance with Volumes 2 and 4 of this Regulation.

7. Obligations, incurred costs, accrued expenditures, accrued revenues, disbursements and receipts will be recorded and reported in accordance with Volume 4. When another appropriation, e.g., O&M, initially incurs a funded cost, the applicable DoD Component family housing account will be billed at least monthly. Obligations, incurred costs, accrued expenditures and disbursements will be charged to the applicable accounts.

8. The balance due on indebtedness previously assumed should be in a "Borrowing Account" in conformance with Federal budget concepts.

The acquisition of property will be recorded in accordance with Volume 4 of this Regulation. The amount of the mortgage assumed will be recorded as an increase in the "Borrowing Account" and will be reported to the Treasury under Code (97).

060107. Use of O&M Funds under Contingency Construction Authority

The criteria and procedures for the use of O&M funds under Contingency Construction Authority (also known as Section 2808 Authority) are listed in Volume 3, Chapter 17, Section 170102(L).

## 0602 UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION

## 060201. Military Construction Appropriations

Programming, budgeting, financing and accounting for the Military Construction Program will be accomplished under an account structure uniformly used for these purposes by all DoD Components. The uniform account structure and scope of each account prescribed for the administration of the Military Construction Program are as follows:

A. Major Functional Category: Construction

1. Immediate Subordinate Account: Major Construction. Includes construction projects authorized under [Title 10 United States Code \(U.S.C.\), section 2802](#) for the purposes of erection, installation, or assembly of a new facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing facility; or the relocation of a facility from one installation to another. Includes equipment installed and made a part of such facilities, and related site preparation, demolition, excavation, filling and landscaping, or other land improvements.

2. Immediate Subordinate Account: Minor Construction. Includes any urgently required construction project not otherwise authorized by law having a cost equal to or less than \$2,000,000. However, if the military construction project is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening, a minor military construction project may have an approved cost equal to or less than \$3,000,000. Minor construction projects costing more than \$750,000 may not be carried out unless [Title 10 United States Code \(U.S.C.\), section 2805](#) requirements are met. This includes advance approval by the Secretary concerned and notification to the Congress. An unspecified military construction project costing not more than \$750,000 may be funded from appropriations available for O&M. However, if the project is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening, up to \$1,500,000 may be funded from O&M accounts.

3. Immediate Subordinate Account: Planning and Design. Includes architectural and engineering services, construction design, planning, study, working drawings, specifications and estimates for construction projects. [Title 10 United States Code \(U.S.C.\), section 2807](#) pertains to architectural and engineering services and construction design.

a. Design Status. Projects with parametric cost estimates and supporting documentation, e.g. site plan, economic analysis, and National Environment Policy Act (NEPA) documentation, will be considered at the 15 percent design level. Projects using the traditional method of design, being designed in-house, using a standardized design, or site adapting a previous design should use the milestone chart below to gauge their design status.

1% Design Complete:	Design instructions issued to major command.
2% Design Complete:	Major command design instructions issued to design agent.
3% Design Complete	Notice to proceed issued to architect/engineering firm (A&E) by the design agent.
30% Design Complete	Concept plan, early preliminary working drawings,

	design analyses, and outline specifications issued by the designer.
5% Design Complete	Concept or early preliminary review comments forwarded to the design agent.
60% Design Complete	Regular preliminary working drawings, design analyses, and updated cost estimate and outline specifications issued by the designer
65% Design Complete	Regular preliminary review comments forwarded to the design agent.
90% Design Complete:	Final design (working drawings, design analyses, cost estimates, and specifications) completed by the designer.
95% Design Complete	Final design review comments forwarded to the design agent
100% Design Complete	Corrected final design accepted by the DoD Component.

4. Immediate Subordinate Account: Supporting Programs. Includes Defense access roads and land acquisitions.

B. Major Functional Category: North Atlantic Treaty Organization (NATO) Security Investment Program

Includes contributions for the United States share of the cost of multilateral programs for the acquisition and construction of military facilities and installations (including international military headquarters) and for the related expenses for the collective defense of the North Atlantic Treaty Area. Title 10 United States Code ( U.S.C.), section 2806 pertains to contributions for (NATO) Security Investment Program.

060202. Family Housing

DoD Components will use the uniform account structure established for programming, budgeting, financing and accounting for the family housing program. The account structure will be administered so as to provide program and financial control of the family housing program consistent with applicable statutes. The uniform account structure and scope of each account for the family housing program are as follows:

A. Major Functional Category: Construction

1. Immediate Subordinate Account: New Construction (by Installation and Project). Includes the erection, installation, assembly, relocation or replacement of single or multifamily dwelling units; related land acquisition, site preparation, excavation, filling and landscaping, or other land improvements. Also included are the initial outfitting during construction of a dwelling unit with fixtures and other requirements which are either integral components or movable items of major equipment thereof, including major appliances; and architectural and engineering supervision and inspection of construction. Includes design costs of contractor to perform a turnkey contract. New construction also includes the construction of items included in subparagraphs 060105.D.1.b.(1) (a), (b), (c), and (e), above.

\* 2. Immediate Subordinate Account: Construction Improvements (formerly Post Acquisition Construction). Includes major construction projects (projects beyond those authorized under the minor construction program) for the following (by installation and project): upgrading inadequate public quarters, rental housing and acquired units to produce adequate public quarters; conversion of existing facilities to public quarters; alterations, additions-expansions-extensions; construction of family housing real property, other than dwelling units required subsequent to and because of previously acquired dwelling units; and the payments made to military personnel for telephone reconnection charges shall be included in project costs under this subaccount when a construction project involves relocation, alteration, improvement, or other work necessitating Government directed, non-Permanent Change of Station moves between Government quarters. However, in cases where concurrent maintenance/repair work is involved, telephone reconnection costs shall be charged to the maintenance account.

3. Immediate Subordinate Account: Planning and Design. Includes the design, working drawings, specifications and estimates for construction projects approved by the Secretary of Defense for inclusion in the President's Budget. Also includes consolidated DoD guide drawings, specifications, and planning and design efforts on projects which are not subsequently constructed.

B. Major Functional Category: O&M

1. Immediate Subordinate Account: Operation. This account includes the costs associated with Management, Services, Furnishing, and Miscellaneous subaccount categories identified below:

(a) Management. This account includes costs for management, administrative, and support-type services at the installation level, such as, inspection of construction and administration of rental guarantee projects, housing referral administration, housing office base support costs, surveys, engineering studies, and other identifiable management costs.

(b) Services. This account includes cost associated with refuse collection and disposal, fire protection, police protection, entomological services, custodial services, snow removal, street cleaning, and other municipal-type services.

(c) Furnishings. This account includes initial acquisition, maintenance, repair and replacement of furniture, furnishings and other personal property (see subparagraph 060105D.1.b.(1)(g) above); the furnishing of services included in subparagraph 060105D.1.c.(7).

(d) Miscellaneous. This account includes other family housing program operational costs that do not fall into the other Operation categories.

2. Immediate Subordinate Account: Housing Privatization Support. Includes the costs that the government incurs in direct support of the family housing privatization program under the authorities of Title 10 United States Code (U.S.C.), Chapter 169, Subchapter IV (Alternative Authority for Acquisition and Improvement of Military Housing) with the exception of those costs that will be included as part of the privatization project. These costs

include all administrative, planning, development, solicitation, award, transition, construction oversight, and portfolio management activities associated with military housing privatization and specifically for:

(a) Site Assessment Costs. Includes all costs in direct support of the family housing privatization program for environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required to be accomplished by the government prior to privatization for, environmental mitigation, site surveys, or real estate costs.

(b) Project Costs. Includes all costs in direct support of the family housing privatization program for project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management (supervision, inspection and overhead), post award management/monitoring, and portfolio management.

(c) Administrative Costs. Includes all costs in direct support of the family housing privatization program for civilian pay, travel, training, supplies, equipment, and for any services provided by a Component in support of the privatization program.

3. Immediate Subordinate Account: Maintenance of Real Property Facilities. This account includes maintenance and repair of buildings, roads, driveways, walks, exterior and interior utility systems and grounds care; and maintenance, repair and replacement of fixtures and other equipment which are integral components of a housing unit. This account also finances the costs of reimbursements made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed, non-PCS moves. This includes such charges resulting from improvement/repair projects funded in part from the family housing construction account.

4. Immediate Subordinate Account: Leasing: This account includes leasing of family housing facilities by the Government as outlined in subparagraph 060105D.1.a.

5. Immediate Subordinate Account: Utilities: This account includes costs for utilities consumed in government-owned family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. It excludes the costs associated with the maintenance and repair of utility systems covered under the Maintenance of Real Property Facilities Account.

\* 6. Immediate Subordinate Account: Mortgage Insurance Premiums (or also known as Servicemen's Mortgage Insurance Premiums). This account includes payments of servicemen's mortgage insurance premiums pursuant to Title 12 United States Code ( U.S.C.), Chapter 13, section 1701, the National Housing Act as amended.

C. Major Functional Category: DoD Family Housing Improvement Fund: Includes activities required in connection with the Military Housing Privatization Initiative (MHPI) program planning, execution, accounting and financial reporting, and administration of contracts entered into under the authorities of Title 10 United States Code (U.S.C.), Chapter 169, Subchapter IV (Alternative Authority for Acquisition and Improvement of Military Housing).

## 060203. Homeowners' Assistance Fund, Defense

The program/budget account classification structure for the Homeowners' Assistance program is prescribed in Exhibits HA-1 through HA-4, found in Section 060504.

## 0603 PROGRAM AND BUDGET REVIEW SUBMISSION

## 060301. Military Construction

A. Purpose

1. This Section prescribes instructions for the preparation and submission of program and budget estimates for the Military Construction appropriations.

2. Unless otherwise specified, these instructions apply to all Military Construction appropriations and to all program and budget estimates. Data submitted must be consistent with the program and budget estimate being supported.

B. Submission Requirements

1. General Guidance. Supporting data for each of the military construction appropriation requests will be submitted concurrently with all other Department of Defense appropriation requests. To facilitate the review and decision making process, it is essential that the packaging of justification materials conform to the uniform facility category structure established by [DoD Instruction 4165.3](#), "DoD Facility Classes and Construction Categories."

a. Construction requirements will be determined in consonance with Program Decision Memorandum (PDM) guidance and with applicable Executive Orders, Office of Management and Budget (OMB) Circulars, and DoD 4270.1-M, "Policy Guidelines for Installation Planning, Design, Construction and Upkeep."

b. Each proposed construction project will be supported by DD Form 1391/1391C, Military Construction Project Data. These will be prepared in accordance with guidance contained in Section 060502, below. Projects associated with intelligence or intelligence-related operations will be so identified. Block 5, Program Element, DD Form 1391, will include the annotation National Intelligence Program (NIP) or Military Intelligence Program (MIP) as appropriate. DD Form 1390, Military Construction Program, will be prepared for each installation at which major construction is planned, utilizing the format prescribed in Section 060502. DD Form 1390S, Guard and Reserve Forces Military Construction, will be utilized by the Guard and Reserve Components.

c. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the budget year and what the Component plans to accomplish in the budget year to support that initiative. Be specific, including the impact on force structure. This exhibit will be prepared in accordance with the format contained in Section 060502, below.



d. Lump sum requests for a number of construction projects at a single location or for related projects at several locations will not be considered.

e. OMB is strictly enforcing the full funding policy contained in [OMB Circular A-11](#). The Components are required to ensure that all projects are fully funded in compliance with OMB Circular A-11. For large projects that formally would have been considered for incremental funding over multiple years (an increment is not a complete and usable facility), the Components may break projects down into complete and usable phases, with phases in multiple years. OMB's intent is that incremental funding for construction will be for rare and exceptional cases only.

f. In the rare case that OMB grants a waiver to allow for budgeting for the incremental funding of a project, the Components have the flexibility to move funding between increment/years to allow for flexibility but only if there is no increase in the total cost of the project or number of increments. Additional increments or an increase in the total cost of the project requires another waiver request to and approval from OMB. When projects fully funded in a given year's President's Budget request are incrementally funded by Congress, the Components should not infer that OMB has agreed to continued incremental funding of the remainder of the project. The Components' subsequent budget submission should request funding for the full cost of completing the project. Budget justification materials (1391/1391C) should include a chart depicting all outyear liabilities resulting from incremental funding decisions.

g. In order to ensure prudent and economic investments a life-cycle, net present value economic cost analysis is required to support all new construction or renovation projects estimated to cost in excess of \$ 2 million dollars. Copies of these studies are to be retained by the DoD Components and must be available, when requested, during the OSD - OMB program and budget review. In accordance with Chapter 1, section 010303, components are required to indicate on the justification page for each individual construction project whether or not an economic analysis is applicable or pertinent. If not applicable, a statement is required indicating why.

h. In accordance with guidance provided under Section VI.D. of [DoD Directive 2010.5](#), "DoD Participation in the NATO Infrastructure Program," components are required to indicate on the justification page for each individual construction project for U.S. forces committed to NATO a statement whether or not the project is planned for prefinancing, with appropriate explanation as to: (a) why U.S. unilateral financing is being proposed; and (b) as appropriate, follow-on actions planned to seek reimbursement through NATO channels. A similar statement is required for any other overseas construction, describing why the project is not eligible for host nation funding. More specific guidance is provided in [DoD Directive 2010.5](#).

i. Justification materials DD Forms 1390/1391/1391C will be submitted in book form, with appropriate cover, bound on the left margin. Classified materials are to be submitted in separate volumes, with appropriate security classification markings on covers.

j. The following sections outline the specific materials to be provided including special guidance as to formats to be followed. The numbers of copies required are identified in Volume 2A, Chapter 1. Other special materials required for intelligence activities are outlined in Volume 2B, Chapter 16.

k. It is recognized that it may be necessary to revise construction project costs subsequent to the budget submission which have changed significantly because of Congressional action, design changes, etc. Such changes will be considered as an additional budget submission and all ground rules, including cut-off dates, will apply.

l. All budget submissions for military construction and family housing programs should include outyear project level detail in the format specified in Section 060502, below.

m. If a military construction project is associated with global defense posture initiatives, it should be identified at the end of the Requirements section under Item 11 of the DD Form 1391.

\* n. For any joint funded Guard or Reserve military construction project, the lead component is required to submit a DD Form 1391 for the complete joint facility and a signed Memorandum of Agreement (MOA). Additionally, the lead component will submit the Guard and Reserve Joint Military Construction Project Exhibit, MC-2, in accordance with the format contained in Section 060502, below.

2. Construction Programs for the Active Forces and Defense Agencies. The books containing the DD Forms 1391/1391C will be arranged by facility category, following the guidelines established by [DoD Instruction 4165.3](#). For each project, the DD Form 1390 will immediately precede the DD Form 1391/1391C. In each DD Form 1391/1391C provided for the OSD submission, the following design status is required: (1) date of design or parametric cost estimate initiation; (2) percentage of design complete on the OSD submission date; (3) date on which 35 percent design or a parametric cost estimate (15 percent design level) will be or has been completed (including review and approval of 35 percent drawings); (4) projected or actual date of design completion; (5) percentage of design utilizing standard design; (6) if the project cost is based on parametric estimates, include the annotation "Parametric estimates have been used to develop project costs"; and (7) type of design contract, i.e. design-build, design-bid-build, or other, if other, provide a brief explanation of the design contract. Projects proposed for alternative construction methods such as turnkey, or private financing alternatives, for which percent design is not appropriate, should be noted in place of the design status required for normal projects. Prior to the submission of the President' Budget to Congress, the OUSD(Comptroller) Military Personnel and Construction Directorate shall be notified of any projects in the request where the cost estimate is not based on either 35 percent design or a parametric cost estimate (15 percent design level).

a. Major Construction. For purposes of the OSD and OMB review:



(1) No project will be identified or listed under more than one facility category.

(2) The "Operation and Training Facilities" category is to be packaged in the justification books as two separate categories, i.e., "Operation Facilities" followed by "Training Facilities."

(3) Books containing the DD Forms 1391/1391C are to include omnibus packages for the energy conservation investment, and air and water pollution abatement programs. The total requested for each of these programs will be identified separately on single DD Form 1391's with the detail of program (installation, location, cost, and project description) provided on continuation pages DD Form 1391C. None of the projects included in these categories are to be listed under any other facility category.

(4) Each DD Form 1391 for a major construction project must show the construction contract award date (indicate month and year the contract is planned to be awarded to the construction firm, the construction start date (indicate month and year construction is planned to start), and construction completion date (indicate month and year construction is planned to be completed). The information should be displayed on the DD Form 1391, section 12, Supplemental Data.

(5) All DD Forms 1391 must include a name and phone number of the civil engineer at the installation responsible for the requested project. This information should be displayed in the bottom left hand corner on the last page of the DD Form 1391.

b. Minor Construction. The total minor construction program request should be submitted as an omnibus package on a single Form DD Form 1391, specifying the lump-sum amount proposed for unspecified (unforeseen) minor construction projects costing up to \$ 2.0 million per project.

c. Supporting Activities. The funding request for Supporting Activities will continue to be reflected as a lump sum amount on DD Form 1391. Supporting detail (location/cost) will be shown parenthetically following the lump sum estimate. While this item will be addressed for decision making purposes in the document covering Utilities and Real Estate, it should be listed separately and not included in the indexes for either Utilities or Real Estate, which fall under different facility category codes.

d. Restrictions on Omnibus Construction Packages. Apart from the specific exceptions noted for the pollution abatement, energy conservation, and minor construction programs, which are discrete decisions, there are to be no other omnibus packages or breakouts in the DD Form 1391 justification books. All other projects are to be listed under the appropriate facility category. In this respect, the Marine Corps facilities program is to be integrated with the Navy facilities program so that all Navy and Marine facilities are included in a single Department of Navy facility category listing covering the entire "Military Construction, Navy and Marine Corps" appropriation request. However, a separate "non-add" listing or index of all Marine Corps unique facilities, similar to those provided in the past, is both useful and desired.

e. Budget Summary and Indexing. Each Component will provide a one page Budget Summary at the front of the justification book that provides a summary of the total construction program request. The summary will show, by column, the Total Obligation Authority (TOA), Budget Authority (BA), and authorization requested with subtotals by budget activity. Additionally, the books containing the DD Forms 1391/1391C should provide, immediately preceding each category section, an index showing facility category code numbers, installation and location, project number and title, cost, and DD Forms 1391 page number. The index should also identify each project as either new mission or current mission.

f. Multi-service and National Level Support Programs. Projects providing multi-service or national level support are to be programmed/budgeted under the appropriation, "Military Construction, Defense-Wide", or, in the case of NATO Security Investment Program, under the appropriation "NATO Investment Program." These are to be determined on a case-by-case basis, and should be identified as early as possible in the program planning phase. Such items will be identified in the Program Objective Memorandum (POM) and PDM process with appropriate programmatic adjustment or treatment during that phase of the review.

g. Should, on rare occasions, other candidates surface outside of the POM/PDM process, they will require review in the budget review process. The following guidelines apply:

(1) The individual military departments will serve in an executive agency capacity for support of those construction items. The military department assigned executive agency responsibility will continue to provide all necessary and appropriate management support for such projects, including preparation of budget justification materials, and will continue to fully manage and execute the program including the preparation of all budget justification materials and defense of estimates submitted to Congress.

(2) For those projects which have been identified and programmed as multi-service or national level support programs during the POM and PDM process, the executive agent will provide, at the time of its own budget submission, a separate submission consisting of all justification materials (DD Forms 1391/1391C) necessary for OSD and OMB review. Such projects are not to be reflected (duplicated) in the submission covering the department's own program (i.e., financial program, facility category listings, etc.).

(3) For those projects which may surface outside the POM and PDM process as possible additional candidates, the sponsoring military departments will include these in their own construction program submissions as outlined earlier in this chapter, within their own fiscal levels, and separately highlight such items, providing a narrative explaining the basis for change.

3. Construction Programs for the Guard and Reserve Forces. Justification materials for the Guard and Reserve construction programs will be submitted on DD Forms 1391/1391C (Project Data). A separate justification book is required for each of the five Guard and Reserve appropriations.

a. The DD Forms 1391/1391C will be in a single volume covering total requirements for each appropriation. The materials will be sequenced in alphabetical order, by state and by installation within state. The justification pages covering the lump-sum amount requested for minor construction will appear last. The DD Form 1390S will be in a separate section following the DD Forms 1391/1391C. Each book is to include an index in the front, showing the installation and location, project title, project cost, DD Form 1391 page number, and arranged in alphabetical order by state.

b. Each Guard and Reserve program submission is to include separate listings identifying amounts requested in the budget year for: (a) air and water pollution abatement; and (b) energy conservation investment programs. Each listing is to show the installation and location, project title, project cost, and DD Form 1391 page number. "Negative response" listings are required to assure complete coverage.

4. Construction Planning and Design. The annual estimates for planning and design are to be identified and justified on DD Form 1391. In preparing the annual estimates, full consideration should be given to the lead-time required to meet the objective of having each construction project at the 35 percent design stage at the time the Budget is submitted to OSD. Guard and Reserve component construction projects will meet the design criteria established in [DoDI 1225.8](#), "Programs and Procedures for Reserve Component Facilities and Unit Stationing," at the time the budget request is submitted to OSD.

a. The Military Departments will develop and submit planning estimates in support of the construction programs for the individual Active Forces, Guard and Reserve programs.

b. OSD will prepare a DD Form 1391, consolidating estimates to be submitted by the Defense Components having justified requirements for Defense Agencies planning and design funds.

(1) Each Defense Agency having a requirement for planning funds during the current and budget years is to submit its estimates on a DD Form 1391.

(2) The individual Military Departments may have a justified requirement for use of Defense-Wide planning funds under circumstances where the Military Departments serve as executive agents for certain multi-service or national-level support projects if funding is required to design a project which will be constructed using Military Construction, Defense-Wide funds. Under such circumstances, the Military Department should submit its estimates on a separate DD Form 1391.

5. Automated Data Requirement. All Military Construction estimates for the Active Forces, Defense Agencies, Guard and Reserve Components shall be addressed in the Exhibit C-1 Construction Annex input prescribed in Volume 2A, Chapter 1.

6. Long-Term Facilities Contracts. DD Forms 1390 and 1391 must be submitted for each project proposed under the authorities of Title 10 U. S. C., Chapter 169. All additional supporting justification should be included in the DD Form 1390 and DD Form 1391 Justifications. These include Section 2809 ("Long-term facilities contracts for certain activities

and services”), Section 2812 (“Lease-Purchase of Facilities”), Section 2835 (Long-term leasing of military family housing to be constructed”), Section 2836 (“Military housing rental guarantee program”), and other third party financed construction authorities. Private financing initiatives will be closely reviewed to ensure their programmatic and budgetary viability. So that an informed decision regarding inclusion of the project in the budget may be made during the program and budget review, proposed projects must be supported by an economic analysis. In addition, to establish a reasonable expectation that the long-term facility project meets Congressional guidance that all third party financed projects, including proposed child care facilities, be at least five percent less expensive than regular military construction appropriation, a lease-versus-buy analysis conducted in accordance with the provisions of OMB Circular A-94 must also be submitted as backup documentation for the DD Form 1391.

a. In development of cost estimates, military construction alternatives should not exceed the published DoD pricing guidance. Private sector construction estimates should be fully supported by documentation and include all pertinent cost factors.

b. Guidance for development of the basic economic analysis required to support these long-term facility contracts is contained in [DoDI 7041.3](#), “Economic Analysis for Decision Making.” The separate lease-versus-buy analysis must conform with OMB Circular A-104, and include full life-cycle costs and net present value discounting of each alternative.

c. Proposed child care facilities should also include in their justification the results of a market survey of child care services available in the local community, and the results of a need assessment and installation interest survey that documents and supports the need for the proposed project.

d. Authorization and appropriation procedures for long-term lease and lease-purchase contracts are special cases and may not be treated as regular military construction in some respects. General guidance for the treatment of budget authority, outlays, and scorekeeping guidelines for lease-purchase and capital lease contracts is contained in OMB Circular A-11.

(1) Under the provisions of public law these contracts may, depending on the authority used, be for periods of up to thirty-two years exclusive of the period of construction. However, for projects proposed under the authority of Title 10 United States Code (U.S.C.), Sections 2809, 2835, and 2836 the obligation of the United States to make payments under the contract in any fiscal year is subject to appropriations being provided specifically for that fiscal year and specifically for that project.

(2) Annual lease or annual lease-purchase payments commence at the time of beneficial occupancy, usually after the budget year in which the project is proposed for authorization.

(3) Components will request authorization for the full asset value of the contract (the estimated construction or acquisition cost, the differential cost of financing, and any contract termination liability costs). Components will request budget authority for each project in the amount equal to the full extent of the Government’s first year liability

under the contract (the sum of all cost and contract termination liability costs), in the budget year the project is submitted for approval.

e. Components shall submit proposals for long-term facilities contracts in a separate section in the OSD/OMB Justification books. The section shall be entitled “Long-Term Facilities Contracts“. The section will include all DD Form 1390 and DD Form 1391’s for newly proposed projects, and be preceded with an index showing facility category code numbers, installation and location, project number and title, estimated military construction cost and DD Form 1391 page number. Long-term leases and lease-purchases will be separately summarized in the index. In order to assess the long term financial impact of these proposals the section should also include a financial table that provides project data and cumulative totals for; total estimated project authorization, estimated annual lease payment, and year of planned beneficial occupancy.

f. Congressional budget presentation Justification Book guidance is provided in section 0604, below.

g. Following approval of projects for inclusion in the President’s Budget, Components may then proceed with project development.

h. In accordance with Title 10 United States Code (U. S. C.) these projects must be submitted to Congress for final review or approval 21 days in advance of contract award. Unless denied by Congress, Components may make contract award following the 21 day notification period.

(1) Components will submit these projects for approval to the Under Secretary of Defense for Acquisition, Technology, and Logistics, and the OUSD (Comptroller), prior to congressional notification, and again prior to the final submission to Congress.

(2) In order to ensure that only economical investments are approved, and that budget requests are sufficient to cover the full financing of the contract, only those projects demonstrated to be more cost effective than regular Military Construction will be approved for submission to Congress.

#### 7. Construction Programs for Working Capital Funds

The Working Capital Funds related capital construction projects costing over \$750,000 will be included in the component military construction appropriation (including budget authority) program and budget estimates submission for review.

a. Military construction projects supporting the Working Capital Funds must be clearly labeled as Working Capital Fund projects. The C-1 Annex will include the Working Capital Fund projects (annotated as such) with their associated budget authority.

b. A separate copy of military construction projects supporting the Working Capital Funds will be provided to the Directorate for Revolving Funds, OUSD (Comptroller) (Pentagon, room 3D755).

c. Copies of associated economic analysis studies supporting the construction requirements for Fund projects will be separately provided to the Directorate for Military Personnel and Construction, OUSD(Comptroller) (Pentagon, room 3C654).

8. Facilities Programming and Financing at DoD Installations Utilized by Two or More DoD Components. This section establishes the policy for programming and financing facilities at DoD installations where utilization by more than one DoD Component is involved, including host-tenant relationships.

a. Responsibilities

(1) To ensure joint use construction is considered when assessing the Department's facilities needs, each DD Form 1391 must include a certification by the Secretary or Defense Agency Director concerned that the proposed project has been considered for joint use potential; a recommendation for either joint use or unilateral construction; and the reason(s) for that recommendation if joint use is not recommended. The certification may be delegated not lower than the Assistant Secretary responsible for the project. This certification is not required for family housing construction and improvement projects.

(2) Single-Use Facilities. The DoD Component requiring a facility for its own use shall program and budget for the construction project involved.

(3) Joint-Use Facilities. The DoD Component which has jurisdiction over the host command shall program and budget for a facility which is planned for the joint use or joint occupancy of two or more DoD Components.

(4) Common-Purpose Facilities. On a case-by-case basis, the individual DoD Components shall function as executive agents for programs whose output directly and uniquely operates to the benefit of two or more DoD Components. The executive agent shall be responsible for planning and programming all facilities.

(5) Required Facilities. Generally, the host Military Department will program and budget an extension, expansion, and/or increase the capacity of the main utilities and communications or transportation systems, consistent with the master plan of the installation, to support any required facilities, including those required by a tenant. However, programming and budgeting for such connecting utilities and communications or transportation systems as an integral part of any single-use facility are the responsibilities of the DoD Components requiring the facility.

(6) Siting Facilities. Siting of any facility for a tenant will conform to the master plan of the installation or will be in accordance with an agreed-upon location by the DoD Components concerned.



(7) Design. Standards of design and construction will conform to those of the host Military Department, consistent with the master plan of the installation; however, exceptions will be made in those instances where tactical or other operational considerations requiring limited duration of occupancy economically would not justify construction of facilities to higher standards.

b. Utilization

(1) The tenant DoD Component will have exclusive use of any facility constructed for the duration of the tenant's requirement. Upon termination of tenancy or use by the tenant, the facility will revert to the host Military Department for utilization without fee.

(2) Should the tenant DoD Component, at a later date have a requirement for use of the same facility, the host Military Department will make the facility, or an acceptable existing facility, available within a reasonable time period to the tenant. The host Military Department will not reconstruct or acquire a new facility for the tenant instead of returning the original facility or an acceptable existing substitute. If the host Military Department is not able to make a facility available to the tenant without creating unacceptable conditions for the host, the tenant will be responsible for obtaining a new facility.

c. Maintenance and Service Support. Determination as to the levels of maintenance and service support and reimbursement therefore will be made by the DoD Components concerned consistent with DoD policies for host-tenant agreements.

9. Energy Conservation Investment Program (ECIP). DD Forms 1390's and 1391's should be submitted for each ECIP project requested in the budget. These forms should include the location, the nature or category of the project, the cost and the expected payback using the most current technological and economic information available, and the name and telephone number of a point of contact. The Components should submit these forms to the OUSD (Acquisition, Technology, and Logistics) ECIP Program Manager 7 days prior to the OUSD (Comptroller) budget due date to allow sufficient time for the ECIP Program Manager to review them prior to transmittal to OUSD (Comptroller).

060302. Family Housing

A. Purpose

1. This Section prescribes instructions for the preparation and submission of budget estimates for the Services' and Defense-Wide Family Housing, appropriations.

2. Budget estimates will be submitted by the Services and Defense Agencies, which have requirements for financing the Family Housing Program as defined in Section 060106.

B. Submission Requirements

1. Budget Estimates. Each DoD Component is to submit data to support the budget requirement for Family Housing on the basis of the accounts and account structure set forth in the detail prescribed in Section 060302 B.3, below (Preparation of Material). In addition, each DoD Component will address Family Housing estimates in the Exhibit C-1 Construction Annex input prescribed in Volume 2A, Chapter 1, section 010504.

2. General

a. All data (including the OP-5 exhibit) will be provided on 8-1/2 inch by 11 inch size paper, typed across the short dimension of the paper, except for the formal exhibits contained in Section 0605. All pages will be bound on the 11 inch side.

b. The family housing budget data will be bound in separate books for the Army, Navy (including Marine Corps, with O&M Cost and Debt Payment for Marine Corps shown separately), Air Force, and Defense Agencies.

c. The number of required copies of the above material is specified in Volume 2A, Chapter 1, section 010302.

3. Preparation of Material. Submit data using forms and formats as indicated below. Separate tabbed sections will be submitted for each of the categories below (a, b, and 4-18).

a. Index. Provide a detailed index to the submission.

b. Summary

(1) Provide a narrative summary describing the most significant features of the request. This summary need not cover every facet of the request and is intended to highlight those items of special significance.

(2) Provide a one-page financial summary of the entire request. This should include, as a minimum, the amounts requested for authorization and appropriation for the major programs and their immediate subordinate accounts (Construction: New Construction, Post Acquisition Construction, Planning and Design; O&M: Operating Expenses, Utilities, Maintenance, Leasing, Housing Privatization Support, Debt Payment, Servicemen's Mortgage Insurance Premium and Reimbursable Program).

(3) Provide the summary metric tables, Exhibit FH-11, Inventory and Condition of Government-owned Family Housing Units, (which replaced the Summary of Inadequate Unit Elimination, FH-7 Exhibit) and Exhibit FH-8, Annual Inadequate Family Housing Elimination.



(a) These exhibits support the measures and targets developed in the DoD Performance Budget, which are based on the condition of the facilities (Q-Ratings) and maintaining a minimum specified percentage level of adequate housing units.

(b) All government-owned Family Housing inventory should be reflected in these exhibits, including transitional units. Inventory should be consistent with number of units and Q-Ratings contained in the Real Property Inventory database. Additional information on Q-Ratings is available in OSD (AT&L) Facility Quality Rating Memorandum of September 5, 2007 and the GSA Guidance for Real Property Inventory Reporting .

4. Legislative Language. Provide the required authorization and appropriation language for the budget year. The current year language should serve as the base, with changes and omissions bracketed.

5. New Construction

a. Summary. Provide a brief summary of the New Construction program. The summary should include, as a minimum: a short narrative highlighting the most significant features of the request, a comparison of the prior year program with the request, and a listing of each project requested showing new construction or replacement, location, number of units and the estimated cost. The listing should also identify each project as either new mission or current mission requirement, as well as provide the major initiative category.

b. Project Justification. For each New Construction project, including the construction of mobile home spaces, the following forms and exhibits are required. Additionally, in accordance with [Title 10 United States Code \(U.S.C.\), Sections 2823](#) and [2824](#) provide documentation of consultations with the Department of Housing and Urban Development on the availability of suitable alternative housing at each construction location.

(1) Military Construction Project Data –DD Form 1391. Form will be prepared in accordance with the instructions contained in Section 0605, below. It is important to avoid the use of “boiler-plate” justification. Cost estimates for new construction projects will include the maximum level of detail practicable, including construction contract award date (indicate month and year the contract is planned to be awarded to the construction firm), the construction start date (include month and year construction is planned to start), and construction completion date (indicate month and year construction is planned to be completed). Any unusual features impacting on the cost of the project must be identified and fully justified. In order to ensure prudent and economic investments, a life-cycle net present value economic cost analysis is required to support all new construction projects estimated to cost in excess of \$2 million. Copies of these analyses are to be provided with the Family Housing budget estimates. Each DD Form 1391 will (1) state if an economic analysis has been prepared and provide a summary of the results of that analysis, including the calculated savings-to-investment ratio, or (2) provide the specific reasons why an economic analysis is not required. Assemble the DD Form 1391’s in the same sequence as the listing of projects on the summary page.

(2) DD Form 1523, Military Family Housing Justification. Form will be prepared in accordance with DoD 4165.63-M, “DoD Housing Management” manual. Data supplied should be in agreement with the latest formal housing survey for the location, and with the information provided on the DD Form 1390. The date of the survey should be specified. The form must include a statement indicating whether a private sector housing market analysis has been conducted and the date the market analysis was completed. When a market analysis has been conducted and is used as justification for new construction, a copy of the analysis must be available for review upon request. Since this form deals with housing deficit calculations, the DD Form 1523 is needed only for new requirements.

(3) Tri-Service Family Housing Cost Model. Provide, for each housing project, the calculations on which the budget estimate is based, using Exhibit FH-1, the “Tri-Service Family Housing Cost Model”. The appropriate DoD cost factors must be used in the calculations. In addition, Tri-Service Family Housing Cost Models should be prepared using metric units of measure.

\*

#### 6. Construction Improvements

a. Summary. Provide a general summary of the Construction Improvements program being requested. The summary should include, as a minimum, a short narrative highlighting the most significant features of the request, and a comparison of the prior year program with the request. For consistency, the program should be referred to as “Construction Improvements” rather than “Post Acquisition Construction” or any other title.

b. Project Justification. Provide a DD Form 1391 covering the entire Construction Improvements program and DD Form 1391C listing each project requested. Project description should be specific with regard to the work which is to be done (specify the number of units to be improved by intended occupant grade -- senior officer, junior officer, or enlisted), and show any planned concurrent, non-routine, maintenance costs, including construction contract award date (indicate month and year the contract is planned to be awarded to the construction firm), the construction start date (include month and year construction is planned to start), and construction completion date (indicate month and year construction is planned to be completed). Projects should be arranged alphabetically by state and country. Federal Energy Management Program funding, if any, must be separately totaled. Projects, or portions of projects, for General and Flag Officer Quarters (GFOQ) must be identified separately. For improvement projects, where the unit improvement cost exceed seventy percent of the replacement cost, the project must be supported by a life-cycle economic analysis which demonstrates that renovation is more cost effective than replacement construction or other available alternatives, such as demolition and reliance on housing allowances.

c. Projects in Excess of \$50,000 Per Unit. A separate DD Form 1391 is required for each project for which the per unit cost exceeds \$50,000, taking into consideration the applicable area cost factor. If the improvement is required to make the unit suitable for habitation by a handicapped person, the threshold is \$60,000 multiplied by the applicable area cost factor. The cost estimate should also include concurrent repair to be funded

under O&M. The justification for the project must detail the findings of an economic analysis and the resulting savings-to-investment ratio. Any unusual features impacting on the cost of the project must be clearly cited. Additionally, note the total [Construction Improvements](#) and non-routine maintenance for the unit or set of units over the past five years.

d. Restriction on the Amount Invested in Improving Foreign Source Housing Units. The three-year limitation on overseas units is \$35,000. If the Services intend to program improvements to specific units which exceed \$35,000 over a period of three years, total funding should be requested in one year. The justification for each unit should identify all improvements and major maintenance work done in the past three years, and all improvements and major maintenance planned in the following three years.

7. Rental Guarantee Housing. For each rental guarantee housing project, both foreign and domestic, provide a listing showing: (1) location, (2) number of units (by intended occupants (senior officer, junior officer, enlisted), (3) term of contract, (4) FY and month of contract renewal, and (5) maximum termination costs.

8. Advance Planning and Design. All requirements for Advance Planning and Design should be submitted in the format prescribed for military construction in Volume 2B, Chapter 6, section 060301.

9. O&M Summary

a. Narrative Summary. Provide a general summary of the entire O&M program being requested, excluding leasing, housing privatization support, debt, and servicemen's mortgage insurance premium, which are to be addressed elsewhere in the budget submission. The summary should include, as a minimum, a succinct narrative highlighting the significant features of the request and a comparison of the prior year program with the budget request, particularly the reasons for any significant upward or downward shifts in funding levels.

b. Inventory and Funding Summary

(1) Provide the data called for in Exhibit FH-2, Family Housing O&M Summary. Include for each fiscal year, as a subset of "Average Inventory for Year," the total number of units that are classified as historic (units that DoD must manage in accordance with the National Historic Preservation Act of 1966). Display the historic figures in parenthesis immediately below the Average Inventory line.

(2) Provide the total civilian personnel compensation for all U.S. Direct Hires, Foreign National Direct Hires and Foreign National Indirect Hires. This information should be provided for the prior year, current year and budget years in the format of Exhibit OP-8, Civilian Personnel Costs, shown in Volume 2A, Chapter 3, section 030402. This exhibit is only required for inclusion in the OMB and OSD review, but should be provided separately for the President's Budget submission.

10. Operations. The sub-accounts of Operations are Management, Services, Furnishings and Miscellaneous. For each of these provide:

a. Summary. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for each of the O&M accounts and subaccounts. For the Furnishings program only, provide additional information in the format of Exhibit FH-3, "Furnishings Summary".

b. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in section 0605, below. For each program increase or decrease, quantitative and qualitative information relative to the proposed change must be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported, changes in the FH-2 and FH-3 exhibits, etc.

11. Utilities. For the Utilities program, separate from Operations, provide the following:

a. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for the account. This section must address energy consumption reductions accomplished and progress made towards meeting Congressional and Defense energy conservation goals.

b. Include a table that breaks out, for each FY reflected in the budget submission, kilowatt hour of electricity, tons of coal, cubic feet of gas, barrels of oil, and other forms of energy that support the utilities budget request.

c. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in Section 0605, below. For each program increase or decrease, quantitative and qualitative information relative to the proposed change must be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported, changes in the FH-2 exhibit, etc.

12. Maintenance

a. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing privatization program has on the budget estimates for the account.

b. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in Section 0605 of this manual. For each program increase or decrease, quantitative and qualitative information relative to the proposed change must be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported, changes in the FH-2 exhibit, etc.

c. Provide a summary on the backlog of deferred maintenance. Describe the plans for reducing the backlog to a manageable level. Provide an analysis of types of projects, type and accuracy of reporting and special efforts to reduce the backlog. Provide a table covering the Future Years Defense Program (FYDP) including: (1) backlog at beginning of year, (2) recurring maintenance arising during the year, (3) maintenance funds approved or planned, (4) backlog at end of year, and (5) backlog reduction (-) or growth (+) during the FY.

13. Maintenance and Repair Cost Over \$20,000 Per Unit

a. Using DD Forms 1391 and 1391C, provide data on maintenance and repair projects for which the per-unit cost exceeds \$20,000. As a minimum, the 1391C should provide, for each project: (1) location, (2) number of units, (3) age of units, (4) per unit cost, (5) total square footage of unit and square footage of project, (6) total cost, and (7) short narrative description and justification of the work, including results of economic analysis and savings-to-investment ratio. Projects should be listed alphabetically by state and country, as displayed for the Post Acquisition Construction projects.

b. Projects which appear as concurrent maintenance and repair on the 1391's for Post-Acquisition Construction (see Section 060302 B.7 above) will be shown here if they exceed the \$20,000 per unit threshold, with a notation stating that the project is also shown in the post acquisition construction section.

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14. GFOQ Maintenance and Repair Cost Over \$35,000 Per Unit

a. Provide a narrative summary, detailing efforts to control and reduce expenditures for the "high-cost" GFOQ units.

b. Provide a listing of all GFOQ for which total maintenance and repair cost per unit exceeds \$35,000 for the Budget Year. Listing should include, for each unit: (1) state/country/location, (2) quarters identification, (3) size of unit, (4) age of unit, (5) total operations cost, (6) total utilities cost, (7) total maintenance and repair cost, (8) total O&M cost, and (9) a short narrative description and justification of the work, including results of economic analysis and savings-to-investment ratio. In addition, identify [any Construction Improvements](#) project and funding requested for any GFOQ in the listing.

c. This listing will include all GFOQ projects for which total maintenance and repair cost exceeds \$35,000, including those listed in other sections of the submission.

d. Provide a similar listing for the Prior Year and Current Year units with M&R over \$35,000 and which were not included in the previous budget request.

e. To satisfy Congressional reporting requirements, provide:

(1) A report identifying each family housing unit used, or intended for use, as a quarters for a general officer or flag officer for which the total operations, [utilities](#), [leasing](#), maintenance, and repair costs are anticipated to exceed \$35,000 in the next fiscal year. For each family housing unit so identified specify the total of such anticipated operation, [utilities](#), [leasing](#), maintenance, and repair costs for the unit. This shall be reported in the format of Exhibit FH-5 General and Flag Officers Quarters (Anticipated expenditures for O&M exceeding \$35,000).

(2) A report specifying for each family housing unit used as quarters for a general officer or flag officer at any time during the most recently completed fiscal year, the total expenditures for O&M, [utilities](#), [leasing](#), [maintenance](#), and repair [costs](#) of the unit during that fiscal year. This shall be reported in the format of Exhibit FH-9 GFOQ (O&M Expenditures for FY 2XXX). This report should also be provided to the Military Personnel and Construction Directorate in electronic excel format, no later than December 1.

(3) A report identifying each family housing unit used or intended for use, as a quarters for a general officer or flag officer which is in excess of 6,000 square feet ([SF](#)). For each unit over 6,000SF specify any alternative and more efficient use to which the unit could be converted (including cost of conversion) and an explanation as to why the unit is not being converted to the alternative use. For each unit identified whose annual O&M costs are greater than \$35,000 or if new construction costs are anticipated to exceed \$100,000 in the next FY, specify any alternative use (including cost of conversion) and an estimate of the costs to demolish and rebuild the unit to private sector standards. This shall be reported in the format of Exhibit FH-10, GFOQ 6,000NSF Units for FY 2XXX.

(4) As amended by section 2805 of the FY 2009 National Defense Authorization Act (NDAA), 10 USC 2884 requires annual reporting of privatized GFOQ units and the total operation, maintenance, and repair costs incurred by private sector developer/partners that exceed \$50,000 per housing unit. Therefore, the Components are required to complete the Exhibit FH-12, Privatized GFOQ Operation, Maintenance and Repair Costs Incurred by Private Sector Developer/Partner/Owner Exceeding \$50K per Housing Unit, annually.

15. Reimbursable Program. Provide a detailed justification for the Reimbursable Authority requested. Include information on what precisely is funded through the reimbursable program and details on the sources of receipts for the prior year, current year and budget year.

16. Leasing

a. Provide a short narrative describing what the funds will be used for, how the budget was developed, major assumptions made, and highlighting the most significant features of the request. The summary should also explain the effect that the housing



privatization program has on the budget estimates for the account. The summary shall include a table reflecting the authorized number of leases, average number of leases supported and costs for each of the PY, CY and BY, for Domestic Leasing, Section 801 and Section 802 leases, and foreign leasing.

b. For both domestic and foreign leases, provide a summary justification statement. Also provide data on the leasing program in the format of Exhibit FH-4, "Analysis of Leased Units." Information should be provided at the installation or community level, whichever is most applicable. For each new project requested, include a full justification and description, in the same format as for a New Construction project (see Section 060302 B.6 above).

c. Reconciliation of Increases and Decreases. A reconciliation of increases and decreases, at the worldwide level, between the amounts requested in the President's Budget for the current year and budget years. The format of this reconciliation is to be identical to the Exhibit OP-5 shown in Section 0605, below. For each program increase or decrease, quantitative and qualitative information relative to the proposed change should be provided. Increases and decreases should be supported by specific reasons why these adjustments in the program are necessary, particularly changes in the number of family housing units being supported.

d. For each new Public Law 98-115, section 801 lease project requested, include a full justification and description, in the same format as for a New Construction project (see Section 060302 B.6 above) , including the results of the economic analysis.

e. Under Section Title 10 United States Code (U.S.C.), section 2828, the Components are allowed not more than 10,000 domestic (United States, Puerto Rico, or Guam) leased family housing units. The cost of domestic leases may not exceed \$12,000 (including the cost of utilities, maintenance, and operation) per unit per year.

(1) Section 2828 permits an exception for 500 of these domestic leased units that may exceed \$12,000 per unit per year but can not exceed \$14,000 per unit per year as adjusted from time to time. At the beginning of each fiscal year, the Secretary concerned shall adjust the maximum lease amount for domestic leases for the previous fiscal year by the percentage (if any) by which the national average monthly cost of housing (as calculated for purposes of determining rates of Basic Allowance for Housing under section 403 of title 37) for the preceding fiscal year exceeds the national average monthly cost of housing (as so calculated) for the fiscal year before such preceding fiscal year.

(2) The Army has authority to lease eight units in Miami, Florida for key and essential personnel, as designated by the Secretary, for the United States Southern Command. Total lease cost for all eight units may not exceed \$280,000 per year as adjusted from time to time. The terms of any lease under this paragraph may not exceed 5 years. At the beginning of each FY the Secretary of the Army shall adjust the maximum aggregate amount for these leases for the previous FY by the percentage (if any) by which the annual average cost of housing for the Miami Military Housing Area (as calculated for purposes of determining Basic Allowance for Housing under Section 403 of Title 37) for the preceding FY

exceeds the annual average cost of housing for the Miami Military Housing Area (as so calculated) for the FY before such preceding FY. Additionally, not more than 600 domestic housing units may be leased by the Secretary of the Army for which the expenditure for the rental of such units does not exceed \$35,000 per unit per year, as adjusted from time to time.

f. Also under Title 10 United States Code (U.S.C.), section 2828, the Components are allowed not more than 55,775 foreign leased units. Foreign leases may not exceed \$20,000 per unit per year (including the cost of utilities, maintenance, and operation). Section 2828 permits exceptions for 450 leased units that may exceed \$20,000 but that can not exceed \$25,000 per unit per year and for 350 leases that may exceed \$25,000 per unit per year.

(1) In addition to the 450 units:

(a) The Secretaries of the military departments may lease not more than 3,300 units of family housing in Italy that may not exceed \$25,000 per unit per year.

(b) The Army may lease not more than 1,175 units in Korea that may exceed \$25,000. Also, the Army may lease not more than 2,800 units of family housing in Korea subject to a maximum lease amount of \$35,000.

(2) The maximum lease amounts for the previous FY will be adjusted at the beginning of each FY, by the percentage (if any) by which the Consumer Price Index (CPI) for all Urban Consumers, published by the Bureau of Labor Statistics, during the preceding FY exceeds such CPI for the FY before such preceding FY and for foreign currency fluctuations from October 1, 1987. To determine the impact of foreign currency fluctuation on the rental rate, these high cost “cap” rental rates must be computed for each foreign country, each year to adjust for the impact of foreign currency fluctuation. After the caps of \$20,000, \$25,000 and \$35,000 U.S. dollars are adjusted by country, the adjusted rates becomes the new cap for determining whether a lease must be counted against the exception limits for a given budget year. Then, if a rental exceeds the adjusted maximum costs, it counts against the high cost ceiling limitations of 450 and 350, units, respectively, DoD-wide. For each country the formula that is to be applied is: \$20,000 adjusted for CPI changes or \$25,000 adjusted for CPI changes or \$35,000 adjusted for CPI changes \* [FY 1988 exchange rate / current budget exchange rate] = new cap limit.

(a) Where the “FY 1988 exchange rate” is the exchange rate that was published by the USD (Comptroller) for use in preparing the FY 1988 budget estimates, stated in units of foreign currency for one (1) U.S. dollar:

<u>Country</u>	<u>Monetary Unit</u>	<u>FY 1988 Exchange Rate</u>
Belgium	Franc	42.77
Canada	Dollar	1.39
Denmark	Krone	7.75
Germany	Mark	2.06
France	Franc	6.72
Greece	Drachma	139.90
Italy	Lira	1,423.00
Japan	Yen	163.10



Netherlands	Guilder	2.33
Norway	Krone	7.52
Portugal	Escudo	150.50
Spain	Peseta	137.60
Turkey	Lira	743.50
UK	Pound	0.70

For countries not listed, use the October 1, 1987 exchange rate.

(b) Where the “current budget exchange rate” is the rate published by the USD (Comptroller) for use in preparing the fiscal year budget estimates for which the lease funds are being requested, stated in units of foreign currency for one (1) U.S. dollar.

(c) The new cap limit is the maximum amount in dollars that a lease may cost per unit per annum for each nation, before that unit must count against the worldwide 350 and 450 unit limits on exceptions for high cost leases for the fiscal year for which the budget resources are being requested.

(d) Provide a summary table showing application of the above formula for each nation where high cost leases exist or are proposed, and the total number of such leases.

17. Mortgage Insurance Premium (also known as Servicemen’s Mortgage Insurance Premium).

a. Provide a brief justification statement describing the requested program.

b. Provide a table identifying separately the total of the principal payments, and interest charges, and the totals for the Servicemen’s Mortgage Insurance Premium program for the prior, current, and budget years.

c. For the Servicemen’s Mortgage Insurance Premium program provide a listing for each fiscal year, showing: the number of terminations, the number of mortgages on which payments are to be made, the average payment per mortgage, and the estimated payments for the year. This table should start with the prior year, and end with BY+1.

18. Foreign Currency Exchange Data. All Family Housing O&M appropriations that participate in the Foreign Currency Fluctuations, Construction, Defense appropriation are required to prepare and submit a PB-18 Exhibit using the approved foreign currency exchange rates. The format for the PB-18 Exhibit is in Volume 2B, Chapter 19, section 191204.

19. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the budget year and what the Component plans to accomplish in the budget year to support that initiative. Be specific,

including the impact on force structure. This exhibit will be prepared in accordance with the format contained in Section 060502.

20. Housing Privatization Support. The Components shall add a separate tab and section called "Housing Privatization Support" (after the Leasing section) in the family housing justification book, and include, as a minimum, the following information in the new section:

a. A narrative summary of the Component's overall family housing privatization efforts and accomplishments/progress to date.

b. A summary list of privatization projects and associated funding requested in the Construction portion of the program and budget submission. (DD Form 1391 for New Construction and Construction Improvement projects should indicate which projects are intended as a source of funding for privatization initiatives.)

\* c. Detailed of Awarded Privatization Projects (FH-13). This new exhibit formalizes previously provided information in the President's Budget and shall be prepared to include a list of all awarded projects, including: award date; types of financing (direct loan, loan guarantee, investment, differential lease payments, etc); scored amounts for each type of financing used in the deal; term of the deal in years; status of IDP; and total number of end-state units in the privatized project (breakout total units conveyed, renovated, replaced, and/or new/added units).

\* d. Family Housing Privatization (FH-6). This exhibit shall be prepared for the President's Budget to include the all privatization projects (past, current and future); type of investment or financing; funding sources for financing and investments by appropriation, fiscal year and project (include project number); number of units conveyed; number of end-state number of units, etc. For grouped projects, the first line should be the grouped project name with lines below for each installation and state in the grouped project. This exhibit shall reflect the actual or current project scoring information.

e. Housing Privatization Comparison (FH-6-BES). This new exhibit shall be prepared for the Budget Review, and shall will not be included as part of the President's Budget. For the President's Budget, use the FH-6 Exhibit (mentioned above). This exhibit compares the OSD/OMB approved project scoring with the actual/current project scoring. Information provided should be consistent or similar with data to be submitted for the Military Housing Privatization Initiative (MHPI) Program Evaluation Plan Executive Report to Congress for September, which also incorporates a similar comparison.

f. Reconciliation of Increases and Decreases (OP-5). This exhibit shall be prepared for the Housing Privatization Support (as defined previously in 060202.B.1) budget and must include detailed explanation/justification for the request, and explanation for all increases and decreases from prior budget request.

See section 060306 below.

## 060303. Homeowners' Assistance Fund, Defense

A. Purpose

1. This Section provides guidance for the preparation and submission of Homeowners' Assistance Fund, Defense budget estimates under the Department of the Army allocation account.

2. Budget estimates will be submitted only by the Department of the Army, which has been assigned the overall responsibility for the administration and management of the Department of Defense Homeowners' Assistance program by DoD Directive 4165.50 "Homeowners Assistance Program (HAP)."

3. Each Component is responsible for including sufficient resources in its budget to fund HAP costs related to the Component's actions associated with base closures, realignments, and force reductions. The level of resources required to fund HAP costs shall be developed in consultation with the Army, as the HAP executive agent. Budget estimates for HAP costs shall be separately identified and submitted in the Component' Base Realignment and Closure (BRAC) submissions for HAP costs associated with realignments and closures and in the O&M submission for non-BRAC related HAP costs.

B. Submission Requirements

1. The following exhibits, provided in Section 0605, below will be submitted:

HA-1	Workload and Obligation Data
HA-2	Status of Accounts
HA-3	Work Unit Data
HA-4	Program and Financing

In addition, the Army will input Homeowners' Assistance Fund estimates for the C-1 Construction Annex input prescribed in Volume 2A, Chapter 1, section 010504.

2. Required copies of the above material are identified in Volume 2A, Chapter 1, section 010302 of this Regulation.

3. For the biennial budget, separate sections or volumes will be provided for BY1 and BY2. For the BY2 section, BY1 will be considered as the prior year and BY2 as the budget year.

C. Preparation of Material. All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper, while Exhibits HA-1, 2, 3 and 4 will be typed across the long dimension.

## 060304. NATO Security Investment Program

A. Purpose

1. This section provides guidance for preparation and submission of the NATO Security Investment Program budget estimates.

2. Budget estimates will be submitted by the OUSD (AT&L) since that office has been assigned the overall responsibility for the oversight and management of the NATO Security Investment Program by DoDD 2010.5, "DoD Participation in the NATO Infrastructure Program."

B. Submission Requirements. Submit a detailed exhibit, NATO Security Investment Program-1 (NSIP-1), listing requirements at the project level for both construction and procurement requirements. The listing should be sufficiently detailed to identify discrete projects and initiatives. Aggregations at the capability package level i.e., Defense of the Mediterranean, are not sufficiently detailed and should be broken down further to show the individual projects/initiatives comprising the capability packages. A narrative explanation and description of each of the requirements for the current and budget years should be provided. The NSIP-1 exhibit is provided in section 060505, below for the NATO Security Investment Program to identify the following information: Location, Installation, Project Title, Description of Project, Budget Scheme (how many NATO Nations participating in the funding of the project), Project Cost, U.S. Cost Share, Other Nations Cost Share. This will be provided for both the current year and budget year.

Submit a detailed exhibit, NSIP-2, listing each NSIP major construction project that are eligible for recoupment (reimbursement by other member countries for eligible costs). The NSIP-2 exhibit is provided in section 060505, below for the NATO Security Investment Program to identify the following information: Component, Appropriation, FY, Location, Installation, Project Title, Slice/Serial (if known), Recoupment Budget Estimate, and Rate of Conversion.

C. Preparation of Material. All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper.

## 060305. NATO Security Investment Program Expansion Costs

Expansion Costs. Submit a list of all requirements, construction and procurement, associated with NATO expansion. The listing should be sufficiently detailed to identify discrete projects and initiatives. Aggregations at the capability package level i.e., Defense of the Southern Region, are not sufficiently detailed and should be broken down further to show the individual projects/initiatives comprising the capability packages. The NSIP-1 exhibit is provided in section 060505, below for the NATO Security Investment Program to identify the following information of projects associated with NATO Expansion: Location, Installation, Project Title, Description of Project, Budget Scheme (how many NATO Nations participating in the funding of the project), Total Project Cost, U.S. Cost Share, Other Nations Cost Share. This will be provided for both the current year and budget year. A narrative explanation and description of each of the requirements

for the budget years should be provided. The budget estimate for NATO Expansion Costs should be identified in BA 02 as presented in Volume 2A, Chapter 1.

060306. Family Housing Improvement Fund (FHIF) Program

A. Purpose

This section prescribes instructions for the preparation and submission of budget estimates for the DoD Family Housing Improvement Fund (FHIF) and related requirements, to include Military Housing Privatization Initiative (MHPI) administrative program expenses for accounting and financial reporting services.

B. Submission Requirements

\* 1. The Facilities Energy and Privatization (FE&P) Directorate of the Office of the Deputy Under Secretary of Defense (ODUSD) (Installation and Environment (I&E)), shall submit to the OUSD (Comptroller), Military Personnel and Construction (MPC) Directorate a memorandum which includes a narrative overview of the Military Housing Privatization Initiative (MHPI), current status of the MHPI, and future plans for the program. In addition, the FE&P memorandum shall include funds required for the budget year for administration and oversight of the MHPI program, including for accounting and financial reporting services from DFAS, and detailed justification for these funds. The new FHIF Admin Requirements Exhibit (FH-14) shall also be completed and provided electronically to OUSD (Comptroller) MPC, Family Housing.

\* 060307. MHPI Investments and Credit Financing

A. The Federal Credit Reform Act of 1990 and OMB Circular A-11 require credit financing and investment information for privatization projects to be reflected in the President's budget. Credit financing information required for the President's budget is explained in OMB Circular A-11, Part 5, Section 85 (Federal Credit). On an annual basis, OMB sends out Budget Data Requests (BDR) for Credit Reestimates, MAX Schedule updates, and Credit Supplemental Reporting information for the President's Budget (for Prior Year (PY), Current Year (CY), and Budget Year (BY)).

B. OUSD (Comptroller) MPC directorate is leading a business process improvement effort focusing on current MHPI and credit related processes, which could result in future changes to the DoDFMR.

C. Credit Reestimates. Reestimates are performed throughout the life of each cohort of direct loans or loan guarantees to account for differences between the original assumptions of cash flow and the actual cash flow or revised assumptions about future cash flow. There are two types of Reestimates, Interest Rate Reestimates and Technical Reestimates.

1. Interest Rate Reestimates (IRR) adjust for the effect on the subsidy of differences between the actual interest rate and the discount rates assumed when the estimates were made for budget formulation and obligation. IRR are performed once, in the fiscal year

following the fiscal year in which the direct or guaranteed loan was “*originally*” estimated to be at least 90 percent disbursed.

2. Technical Reestimates adjust for revised assumptions about loan performance, such as differences between assumed and actual default rates or new projections of repayments; and are performed annually for outstanding direct and guaranteed loans.

3. Reestimates are used for yearend financial reporting and for the President’s Budget.

4. In July, OUSD(C) MPC Directorate will send out the Reestimate Data Call and forward the associated direct loan and loan guarantee cash flow files and reestimate timeline to the Services for review and completion by mid-August, and coordination with DFAS. The FH-15 Reestimate Cash Flow Status questionnaire format has been incorporated into the DoDFMR. All files and completed questionnaire should be forwarded, electronically, to Evelyn Roll, OUSD (Comptroller) MPC Family Housing Budget Analyst by the August deadline.

a. The Services are required to prepare cash flow files for new direct loans and loan guarantees, as needed; review all risk factors; substitute reamortization schedules in the files for existing loans after coordination with DFAS, as needed; and complete the Reestimate Questionnaire on the status of the cash flows.

b. DFAS is required to enter transactions with Treasury into the new and existing cash flow files and coordinate any reamortization schedules with the Services, before substitution into the cash flow files.

D. Federal Credit Budget (OMB MAX Schedules). For all privatization projects that have been awarded and those planned for award in the President’s Budget, the Components shall provide the relevant investment and credit financing data required for the preparation of credit financing schedules.

In October, OUSD (Comptroller) MPC Directorate will forward the annual Federal Credit Budget Data Call and template to the Services for review and completion by early November. This data will be used to update the MAX schedules for the FHIF Program, FHIF Financing for Direct Loan, and FHIF Financing for Loan Guarantee accounts.

a. A separate list by Component and FY will include, the installation name, state, type of financing, total number of end-state units in the privatized project (breakout total units conveyed, renovated, replaced, and/or new/added units, total scored amount for each type of financing, and source of funds. The source of funds will be broken out by FY of funds, account (new construction or construction improvements, etc.), project name and amount.

b. Cash flows for future new direct or guaranteed loans will also be required. The completed template and cash flows should be provided, electronically, to OUSD(C) MPC Family Housing by the November deadline.

E. Credit Supplemental Reporting (CSR). In October, OUSD (Comptroller) MPC Directorate will forward the annual Credit Supplemental Reporting Data Call and template to the Services for completion by early November.

1. Additional project information, such as, subsidy percentage, financing, defaults, average contractual loan maturity (in years), average contractual loan interest rate, maximum grace period (in years) and other data is required to update the CSR for the President's Budget.

2. The completed template shall be provided, electronically, to OUSD (Comptroller) MPC Family Housing by the November deadline.

060308. Unaccompanied Housing

A. Purpose

1. This section prescribes instructions for the preparation and submission of budget exhibits related to Unaccompanied Housing (UH). These exhibits are to be included in the unaccompanied housing section of the Military Construction Budget Estimates for OSD and OMB. They are not required to be included in the President's Budget justification books for Congress, but will still need to be updated and provided to OUSD (Comptroller), Directorate for Military Personnel and Construction, separately.

2. Similar to Family Housing, the ultimate goal is to have UH at 90% Q1/Q2 adequacy for U.S. and Foreign. As such, UH exhibits have been developed to support the two UH performance goal and targets, one for U.S. and the other for Foreign.

B. Submission Requirements

1. The UH-1a/1b Exhibits – "Inventory and Condition of Government-owned Unaccompanied Housing (UH)." These budget exhibits are based on facility condition (Q-Ratings). Additional information on Q-Ratings is available in OSD AT&L memorandum of September 5, 2007, "Facility Quality Rating Guidance"; and the GSA Guidance for Real Property Inventory Reporting. All Government-owned UH inventory should be reflected in this exhibit, including transitional UH.

a. UH-1a Exhibit - "Inventory and Condition of Permanent Party, Government-owned Unaccompanied Housing (UH)". The two DoD Performance Goals are to have 90% of Government-owned, Permanent Party UH bedrooms: 1) in the United States (CONUS plus Hawaii and Alaska) at Q1-Q2 adequate levels by FY 2017, and 2) for the foreign locations (includes U.S. Territories) at Q1-Q2 adequate levels by the end of FY 2017. Inventory counts and Q-Ratings should be consistent with the SNaP and Real Property Inventory databases. This includes Facilities Analysis Categories, 7210 – Enlisted UH, and 7240 – Officer UH.

b. UH-1b Exhibit – "Inventory and Condition of Training/Mobilization, Government-owned Unaccompanied Housing (UH)." At this time, there are no DoD Performance Goals associated with Training and Mobilization UH. This includes



Facilities Analysis Categories, 7213 – Student UH, 7214 – Annual Training/Mobilization UH, and 7218 – Recruit/Trainee UH.

2. UH-2 Exhibit – “Configuration and Privacy of Permanent Party Unaccompanied Housing (UH).” This budget exhibit was created to capture the Services’ configuration standard design, their range of various configurations in use, the privacy of assigned members (number of personnel who are sharing a bedroom or living on ship), and the Services’ plans for improvement in these areas. At this time, there are no DoD Performance Goals associated with configuration and privacy. However, the Services are requested to provide their own specific configuration and privacy standards and goals, and implementation plans, including timelines.

3. UH-3 Exhibit – “Summary of Military Construction Unaccompanied Housing Projects”. This UH project list should match information already provided in Program/Budget submissions and related DD Form 1391s (Military Construction Project Detail).

#### 0604 CONGRESSIONAL JUSTIFICATION/PRESENTATION

##### 060401. Purpose

This Section presents the justification book organization and the exhibit requirement for submission to Congress. Examples of budget exhibits can be found in Section 0605, below.

##### 060402. Organization of Justification Book

###### A. Justification material will be entitled:

Supporting Data for Fiscal Year  
20BY Budget Estimates  
Descriptive Summaries

B. The budget justification book will be divided into sections, organized as shown on the following pages.

###### 1. Organization:

###### 2. Table of Contents and Summary Data

3. The summary data will include a state list of all major, minor and family housing construction projects.

##### Section 1 Special Program Considerations

This section will include the following topics with a short narrative or summary table, and other special interest items as applicable.



Facilities Funded Through Other Than Military Construction  
Pollution Abatement Program  
Energy Conservation Program  
Drug Interdiction Program

- Section 2     Budget Appendix Extract  
Legislative Language
- Section 3     Installation and Project Justification Data  
DD Forms 1390 and 1391
- Section 4     Architectural and Engineering Services and Construction Design
- Section 5     Unspecified Minor Construction
- Section 6     Defense Access Roads
- Section 7     Family Housing
- Section 8     Homeowners' Assistance (Army Only)
- Section 9     Long-Term Facilities Contracts
- Section 10    Working Capital Fund Capital Construction

C.     The volume will be organized by state/country and location. Projects should be shown in precisely the same order as they appear in the State List portion of the Construction Annex (C-1).

D.     All construction line items included in the funding program in support of the total obligational authority for the Military Construction appropriations in the President's Budget will be summarized on Installation and Project Justification Data, DD Forms 1390 and 1391/1391C. In addition to data provided on DD Forms 1390 and 1391, justification books submitted to the House and Senate Appropriations, the House Armed Services Committee, and the Senate Armed Services Committees in support of Military Construction Program requests will contain supplemental data prepared in the formats prescribed below on the reverse of DD Form 1391. The Guard and Reserve Forces will use a DD Form 1390S continuation page in lieu of DD Form 1390. All forms required for a project will be grouped and combined in the same book arranged in category code order within state and station.

E.     Section 5 will include an exhibit entitled "Long-Term Facilities Contracts", separately listing projects proposed under [Title 10 United States \(U. S. C.\), Sections 2809 and 2812](#) authorities, arranged in the same order as they would appear in the State list portion of the Construction Annex (C-1). This exhibit will be followed by the DD Forms 1390 and 1391 for each new project proposed. The section will also include a special financing table reflecting both prior approved long-term facility contracts and new requests, as specified in Section 060301 B.7, above.

F. Section 060502 contains detailed instructions for preparation of DD Forms 1390 and 1391/1391C. Detailed instructions for preparation of the supplementary justification material are given in Section 060405, below. The following additional instructions apply:

1. In addition to other data requirements, components are required to indicate on the DD Form 1391C for each individual project a statement indicating whether or not an economic analysis has been utilized in evaluating the project. In those instances where an economic analysis has not been prepared, a statement is required indicating why such analysis is not applicable or pertinent.

2. Lump-sum requests for a number of construction projects at a single location or for related projects at several locations will not be considered.

3. Projects associated with intelligence or intelligence-related operations will be so identified. Block 5, Program Element, DD Form 1391, will include the annotation NIP or MIP as appropriate.

4. All DD Forms 1391 should include a name and phone number of the civil engineer at the installation responsible for the requested project. This information should be displayed in the bottom left hand corner on the last page of the 1391.

5. The budget submission should include the Restoration and Modernization (R&M) unfunded requirement at all installations for which there is a requested construction project. This information is to be provided as subsection c. in block 9 of the DD Form 1390 (Block 10 for the Guard and Reserve 1390s) under the heading, "R&M Unfunded Requirement." In addition, for all unaccompanied housing project requests, the DD Form 1391 is to show all unaccompanied housing R&M conducted in the past 2 years (BY-2 and BY-1) and all future R&M requirements (defined as R&M funding for unaccompanied housing included in the FY DP years) for unaccompanied housing at that installation. This information should appear as the last data in the DD Form 1391 under the heading "BY-2 Unaccompanied Housing R&M Conducted," "BY-1 Unaccompanied Housing R&M Conducted," and "Future Unaccompanied Housing R&M Requirements."

G. Justification Book Covers and Binding of Data

1. Justification materials will be provided on 8-1/2" x 11" white paper, typed across the short dimension of the paper (portrait) with 3 holes punched on the left margin and bound with Acco fasteners. Material is to be printed on both sides of the page using 1" margins. The DD Form 1390 should be printed on white paper, not on yellow paper as previously required.

2. Separate justification books will be prepared for those projects which require classified information on the DD Forms 1390 and 1391/1391C.

3. The individual Defense Agencies will submit either originals of DD Forms 1390 and 1391/1391C, or copies of a quality suitable for printing. These are to be used for preparation of consolidated justification books for submission to congress. These submissions are

not to be punched or bound. Pages are not to be numbered. Covers are not required. One complete set of each is to be delivered to the OUSD (Comptroller), Directorate for Military Personnel and Construction; and the ODUSD/Installations and Environment.

4. Each justification book (and each submission of the Defense Agencies described in paragraph 3, above) is to include an index of installations and projects by state and country, arranged alphabetically, in precisely the same order as the projects appear in the State List portion of the Construction Annex (C-1).

060403. Submission of Military Construction Justification Books

A. Review by OSD. Before the justification material can be released by the Military Departments to the Congress, it must be reviewed by USD (Comptroller) to assure that policies and decisions made by the President and Secretary of Defense are fully reflected. Justification material prepared by the individual Defense Agencies will be submitted to USD(Comptroller) as requested for preparation of consolidated justification books for submission to the Committees on Appropriations.

B. Security Clearances. Each Military Department will be responsible for the clearance of its justification books through OSD Security Review. OUSD(Comptroller) will be responsible for the clearance of the Defense Agencies justification books through OSD Security Review.

C. Number of Copies. Three advance sets of justification books will be forwarded for review to the Directorate for Military Personnel and Construction, OUSD(Comptroller), Room 3C654, Pentagon. See Volume 2A, Chapter 1 for the detailed instructions on number of copies and distribution of printed material.

D. Instructions for Preparation of Supplemental Justification Data in Support of Annual Military Construction Programs. Each data requirement shall be filled in as appropriate including negative responses to indicate that the item has been addressed.

1. Instructions for Preparation of Summary Lists. Each Military Service and Defense Agency shall prepare a State List and an Installation List. These lists shall include every project for which funds have been requested.

2. Instructions for Preparation of DD Form 1390 Supplemental Installation Data. The following data shall be provided in an appropriate place on DD Form 1390:

a. Outstanding Pollution and Safety (OSHA) Deficiencies

(1) Air Pollution. Enter cost of all air pollution abatement projects for the out years. Do not include cost of budget year projects.

(2) Water Pollution. Follow instructions for Air Pollution, a.1., above.

(3) Safety and Occupational Health Deficiencies. Follow instructions for a.1 above and use definitions cited in Section 060403 above for this data.

3. Instructions for Preparation of DD Form 1391 Supplemental (Facility) Data. The following data shall be provided for each facility in the program using the back of standard DD Form 1391.

a. Design Data (Estimates)

(1) Status

(a) Enter date design was started (i.e., date when all appropriate design contracting procedures have been completed and the designer directed to proceed with design).

(b) Enter the percent of design completed as of January 1, of the year in which the budget is submitted to the Congress (e.g., January 2, 2000, for FY 2001 projects).

(c) Enter date design expected to be 35% completed.

(d) Enter date design will be completed (i.e., date when all reviews will be completed and construction contract ready for advertising).

(e) Include the annotation “parametric estimates have been used to develop project cost” if the cost estimate is based on parametric estimates in lieu of the traditional 35% design.

(f) Enter the type of design contract (design-bid, design-bid-build, or other, if other, provide a brief description of the design contract).

(g) Indicate whether an energy study and a life-cycle analysis was performed in support of the design of the proposed facility.

(2) Basis

(a) Indicate whether or not design is based on a standard or definitive design.

(b) If answer to (a) is affirmative, indicate where design was previously used.

(3) Total Design Cost. Indicate total federal cost (all costs to be charged to planning and design accounts) as follows:

(a) Cost of the production of plans and specifications (those costs included within the 6 percent statutory cost limitations).

- (b) All other costs of design.
  - (c) Total Cost (a + b or d + e).
  - (d) Amount of cost estimated to be spent on contracts.
  - (e) Amount of cost to be spent in-house (total cost if design is all within house; overhead and administration costs if design is contracted out, or other breakout).
- (4) Construction Contract Award Date. Indicate month and year the contract is planned to be awarded to the construction firm.
  - (5) Construction Start Date. Indicate month and year construction is planned to start.
  - (6) Construction Completion Date. Indicate month and year construction is planned to be completed.

b. Equipment Associated with This Project Which Will be Provided From Other Appropriations

List only those items which support the cost shown in Block 9 of the DD Form 1391, for Equipment Provided from Other Appropriations. Enter the equipment nomenclature, procuring appropriation, fiscal year in which the equipment was appropriated or is to be requested and the cost in thousands of dollars.

c. Working Capital Fund Projects. DD Form 1391's submitted in support of Working Capital Fund Capital Budget requirements will be labeled as such in Block 4, above the project title.

E. FYDP Project Listing. Military Construction/Family Housing Outyear Project Data will be submitted via the Automated Construction Program (C-1 Annex) at the time program and budget submissions are due to OSD for review. Additional guidance on the Automated Construction Program is provided in Volume 2A, Chapter 1, section 010504. Construction data elements and record formats for the Automated Construction Database are prescribed on the Secret Internet Protocol Router Network (SIPRNET) [home page](#) of the OUSD (Comptroller). The out year project data exhibits for the Active Forces will not be included in the justification books provided to Congress. However, the justification book for each component of the National Guard and Reserve, [as well as the Defense Agencies](#) will contain a listing of all projects that are funded in the FYDP.

060404. Submission of Family Housing Justification Books

A. Family Housing Justification, Military Departments. The format for the Congressional justification books for Family Housing will be identical to that detailed in Section 060302, above for the budget estimates, with the following exceptions:

1. Submission Requirements. Family Housing Congressional justification material will be submitted with the Military Construction justification books for each military department. The Family Housing material should follow that provided for Military Construction. (See Section 060302B.2.b, above)

2. DD Form 1390, Military Construction Program. Form will be prepared in accordance with section 060502, below. One form is required for each location. Personnel data should be based on latest approved totals for the installation or area. Inventory data should include only Family Housing assets. The form should be printed on white paper, and should precede the DD Form 1391.

3. Tri-Service Family Housing Cost Model. This form is not required. (See subparagraph 060302B.5.b.(3), above).

4. Civilian Personnel Costs -- Exhibit OP-8. This form is not required. (See subparagraph 060302B.9.b.(2), above).

5. Furnishings Summary -- Exhibit FH-3. This form is not required. (See subparagraph 060302B.10.a, above)

\* 6. Family Housing Privatization Comparison -- Exhibit FH-6-BES. This exhibit shall not be included in the President's Budget. Instead, include the FH-6 Family Housing Privatization exhibit.

7. Submission by Department of the Army Only. Since the Department of the Army has been designated as the executive agent to execute the Homeowners' Assistance Program for the DoD, only the Department of the Army will submit justification material as described in Section 060303, above.

#### B. Family Housing Justification, Defense Agencies

1. Component Responsibilities. Separate justification material, in the format described in Section 060302, above and similar to that specified above for the Military Departments, will be provided by the individual Defense Agencies. The submissions will provide separate Construction, O&M, and Leasing exhibits, as appropriate, for Defense Intelligence Agency, Defense Logistics Agency, and National Security Agency.

2. Consolidation and Review by OSD. Original pages of justification material prepared by the individual Defense Agencies will be submitted to the Directorate for Military Personnel and Construction, OUSD (Comptroller) Program/Budget, Room 3C654, as requested by the call letter for the preparation of consolidated justification books for submission to the Congress. One copy of the justification material should be submitted concurrently to the ODUSD (Installations and Environment).

3. Justification Material Format. Justification material submitted by the Defense Agencies will be unbound. Covers are not required. Pages will not be numbered. All data will be provided on 8-1/2 inch by 11 inch paper, typed across the short dimension of the paper with 1 inch margins, except for the FH-2, and FH-4 exhibits, which will be typed across the long dimension.

4. Classification. All justification material will be unclassified.

060405. Submission of Justification Books for the Homeowners' Assistance Fund, Defense Appropriation

A. Organization of Justification Books. Justification data will include items detailed in Section 060303, above for the budget estimates. Material will be incorporated as the final section of the Army's military construction/family housing justification book.

B. Submission by Department of the Army Only. Since the Department of the Army has been designated as the executive agent to execute the Homeowners' Assistance Program for the Department of Defense, only the Department of the Army will submit justification data.

C. Review by OSD. Before the justification material can be released to the Congress, it must be reviewed by the USD(Comptroller) to assure that policies and decisions made by the President and Secretary of Defense are fully reflected.

D. Security Clearances. The Department of the Army will be responsible for obtaining clearance of the justification book through OSD Security Review.

E. Number of Copies. See Volume 2A, Chapter 1, section 010401 for instructions on the number of copies required and the distribution.

## 0605 MILITARY CONSTRUCTION/FAMILY HOUSING APPROPRIATION SUBMISSION FORMATS

### 060501. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of the chapter. Unless modified in a submission budget call, these formats should be adhered to.

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## DD 1390 Military Construction Program

1. COMPONENT	<b>FY 19___ MILITARY CONSTRUCTION PROGRAM</b>										2. DATE 22 Apr 96												
3. INSTALLATION AND LOCATION							4. COMMAND			5. AREA CONSTRUCTION COST INDEX													
6. PERSONNEL  a. AS OF  b. END FY 19	PERMANENT			STUDENTS			SUPPORTED			TOTAL													
	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN														
7. INVENTORY DATA (\$000)																							
a. TOTAL ACREAGE..... b. INVENTORY TOTAL AS OF..... c. AUTHORIZATION NOT YET IN INVENTORY..... d. AUTHORIZATION REQUESTED IN THIS PROGRAM..... e. AUTHORIZATION INCLUDED IN THE FOLLOWING PROGRAM..... f. PLANNED IN NEXT THREE PROGRAM YEARS..... g. REMAINING DEFICIENCY..... h. GRAND TOTAL.....																							
<b>8. PROJECTS REQUESTED IN THIS PROGRAM:</b> <table style="width: 100%; border: none;"> <tr> <td style="text-align: left;">CATEGORY</td> <td></td> <td style="text-align: left;">COST</td> <td></td> <td style="text-align: left;">DESIGN STATUS</td> <td></td> </tr> <tr> <td style="text-align: left;">CODE</td> <td style="text-align: left;">PROJECT TITLE</td> <td style="text-align: left;">SCOPE</td> <td style="text-align: left;">(\$000)</td> <td style="text-align: left;">START</td> <td style="text-align: left;">COMPLETE</td> </tr> </table>												CATEGORY		COST		DESIGN STATUS		CODE	PROJECT TITLE	SCOPE	(\$000)	START	COMPLETE
CATEGORY		COST		DESIGN STATUS																			
CODE	PROJECT TITLE	SCOPE	(\$000)	START	COMPLETE																		
9. FUTURE PROJECTS:																							
10. MISSION OR MAJOR FUNCTIONS:																							
11. OUTSTANDING POLLUTION AND SAFETY DEFICIENCIES:																							

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1390, "FY\_ MILITARY CONSTRUCTION PROGRAM"

The DD Form 1390 will be used by the active services to list the projects proposed for inclusion in the Military Construction Program, including requests for (1) new authorization; (2) funding of new authorization; and (3) funding of prior years' authorization. The Guard and Reserve Forces will use a DD Form 1390s instead of the DD Form 1390.

### Instructions for preparation of DD Form 1390 follow:

**Items 1 and 2 - Component and Date:** Self explanatory. Date prepared or the date the budget justification material is due to OSD.

**Item 3 - Installation and Location:** Enter the official name of the installation. Enter the name of the state if within the United States or the name of the country or island chain if outside the United States. In the case of Guard and Reserve facilities, enter the city and state if the facility is not to be constructed on a military installation. Use "classified location" only when necessary to meet security classification guidelines.

**Item 4 - Command:** Enter the name of the host major command responsible for management control of the installation.

**Item 5 - Area Construction Cost Index:** Enter the construction cost index used in estimating the cost of the project(s). Consult the latest guidance published by DUSD(I).

**Item 6 - Personnel Strength:** Enter personnel strengths for permanent, student, and support activities. Include transient personnel where applicable.

a. As of: Enter September 30 of the year of submittal to OSD.

b. End FY 20\_\_: Enter end of the budget year, plus 5 years.

### Item 7 - Inventory Data (\$000):

a. Total Acreage: Enter the number of acres owned and/or leased by the Government, under accountability of the Military Department concerned, as shown in the latest Inventory of Military Real Property.

b. Inventory Total As Of September 30 \_\_: Enter the date and the current real property inventory total (except land rent). These totals should include inventory amounts for family housing.

c. Authorization Not Yet In Inventory: Enter the amount of funded and unfunded authorization for the construction of facilities or acquisition of land which have not been included in the September 30 Inventory of Real Property. This amount will include only such authorization as is related to either the Military Construction Program or the Family Housing Program as the case may be.

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1390 (Continued)

- d. Authorization Requested In This Program: Enter the total cost for construction and land acquisition being requested for authorization in the budget year.
- e. Authorization Included in Following Program: Enter the total estimated cost of construction and land acquisition required for authorization for the program year following the budget year.
- f. Planned in Next Three Program Years: Enter the total estimated cost of construction and land acquisition required for the three years beyond the budget year and following year programs (i.e., second, third, and fourth years beyond the budget year). This amount should agree with the data used in the preparation of the military construction or family housing estimates contained in the Future Years Defense Program.
- g. Remaining Deficiency: Enter the total estimated cost of construction and land acquisition required for existing facilities deficiencies remaining beyond the three program years covered in 7.f., above.
- h. Grand Total: Enter the total of items 7.b. through 7.g.

**Item 8 - Projects Requested In This Program:** Installation or activity projects for the budget year shall be listed individually with attendant information provided in the appropriate column. Both major and minor construction projects are to be included as shown on the sample form.

- a. Column 1 - Category Code: Enter the applicable category code consistent with the category code shown in Item 6 of the DD Form 1391 for the project.
- b. Column 2 - Projects Title: Enter the project title consistent with the title shown in Item 4 of the DD Form 1391.
- c. Column 3 - Scope: Enter the same quantity shown in Item 9 of the DD Form 1391, "Cost Estimates," and include the unit of measure (e.g., SM, SY, LF, PR, EA, CY, etc.). Immediately following or directly beneath the metric quantity and unit of measure, parenthetically include the English quantity and measurement. In those instances where a specific quantity cannot be satisfactorily identified, enter LS for lump sum.
- d. Column 4 - Cost (\$000): Enter the project cost consistent with the cost shown in Item 8 of the DD Form 1391. If two or more projects are listed, enter the total in this column, and use this figure in Item 7.d., above.
- e. Column 5 - Design Status: Enter the most accurate possible dates for the start and completion of design using numerals (e.g., 6/94, 11/95).

**Item 9 - Future Projects:**

- a. Included in Following Program (FY\_\_): List all installation projects regardless of the number and include columnar data comparable to that provided in Item 8, but leave design status blank.

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1390 (Continued)

- b. Planned Next Three Years: List projects planned for next three years in 9.b. and include columnar data comparable to that provided in Item 8, but leave design status blank. The total costs of the projects listed under Items 9.a. and 9.b. should be identical to the entries under Items 7.e. and 7.f., respectively. If additional space is required to list all projects under Items 9.a. and 9.b., a separate sheet of paper should be utilized.
- c. Also include the R&M unfunded requirement in this block under the heading "R&M Unfunded Requirement."

**Item 10 - Mission or Major Functions:** Enter the principal types of peacetime units and/or functions assigned or scheduled for assignment to the installation that require facilities or substantially contribute to the base population. Also enter the current mission stating precisely what the activity will do and list the major functions performed. All entries should address the time period shown in Items 6.a. and 6.b.

**Item 11 - Outstanding Pollution and Safety Deficiencies (\$000):** List all projects included in the budget request and planned for the next three years that are programmed for outstanding pollution and safety deficiencies. Use the format in Item 8.

**Notes:**

1. Space requirements for Items 8, 9, 10, and 11 may vary. Therefore, remaining space on the DD Form 1390 may be utilized as necessary for the specific entries and continued on a separate sheet of paper. A solid black line should be used to set Items 8, 9, 10, and 11 apart and individual item titles and subheadings should be added.
2. Projects that were authorized (but not appropriated) in prior years will be listed in the same manner as projects for which new authorization is requested. The fiscal year in which the project was authorized will be shown after the project title in Item 8.

## DD1390S/1 Guard and Reserve Military Construction

[illegible]

## DD 1390S/2 Guard and Reserve Military Construction (Continued)

1.	FY 20__ GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE																
3. INSTALLATION AND LOCATION																		
11. PERSONNEL STRENGTH AS OF																		
<table border="0"> <tr> <td colspan="2"><u>PERMANENT</u></td> <td colspan="2"><u>GUARD/RESERVE</u></td> </tr> <tr> <td><u>TOTAL</u></td> <td><u>OFFICER</u></td> <td><u>ENLISTED</u></td> <td><u>CIVILIAN</u></td> </tr> <tr> <td><u>AUTHORIZED</u></td> <td></td> <td><u>TOTAL</u></td> <td><u>OFFICER</u></td> </tr> <tr> <td><u>ACTUAL</u></td> <td></td> <td><u>ENLISTED</u></td> <td></td> </tr> </table>			<u>PERMANENT</u>		<u>GUARD/RESERVE</u>		<u>TOTAL</u>	<u>OFFICER</u>	<u>ENLISTED</u>	<u>CIVILIAN</u>	<u>AUTHORIZED</u>		<u>TOTAL</u>	<u>OFFICER</u>	<u>ACTUAL</u>		<u>ENLISTED</u>	
<u>PERMANENT</u>		<u>GUARD/RESERVE</u>																
<u>TOTAL</u>	<u>OFFICER</u>	<u>ENLISTED</u>	<u>CIVILIAN</u>															
<u>AUTHORIZED</u>		<u>TOTAL</u>	<u>OFFICER</u>															
<u>ACTUAL</u>		<u>ENLISTED</u>																
12. RESERVE UNIT DATA																		
<table border="0"> <tr> <td><u>UNIT DESIGNATION</u></td> <td><u>STRENGTH</u></td> <td></td> </tr> <tr> <td></td> <td><u>AUTHORIZED</u></td> <td><u>ACTUAL</u></td> </tr> </table>			<u>UNIT DESIGNATION</u>	<u>STRENGTH</u>			<u>AUTHORIZED</u>	<u>ACTUAL</u>										
<u>UNIT DESIGNATION</u>	<u>STRENGTH</u>																	
	<u>AUTHORIZED</u>	<u>ACTUAL</u>																
13. MAJOR EQUIPMENT AND AIRCRAFT																		
<table border="0"> <tr> <td><u>TYPE</u></td> <td><u>AUTHORIZED</u></td> <td><u>ACTUAL</u></td> </tr> </table>			<u>TYPE</u>	<u>AUTHORIZED</u>	<u>ACTUAL</u>													
<u>TYPE</u>	<u>AUTHORIZED</u>	<u>ACTUAL</u>																
14. OUTSTANDING POLLUTION AND SAFETY DEFICIENCIES																		
(\$000)																		

INSTRUCTIONS FOR PREPARATION OF DD FORM 1390s, "FY\_\_ GUARD AND RESERVE FORCES MILITARY CONSTRUCTION"

The DD Form 1390 will be used by the Guard and Reserve Forces to supplement the data entered in the DD Form 1391, FY 19\_ Military Construction Program.

**Instructions for preparation of DD Form 1390s follow:**

**Item 1 - Component:** Enter the specific Guard or Reserve Forces component of the active services. Recognized abbreviations such as ARNG (Army National Guard); ANG (Air National Guard); etc., are acceptable.

**Item 2 - Date:** Date prepared or the date to OSD.

**Item 3 - Installation and Location:** For facilities not located at DoD installations or commercial airfields, enter the name of the city and State in which the projects are located. For other facilities, enter the name of the DoD installation and its geographical location to the extent that it is not included in the installation name.

**Item 4 - Area Construction Cost Index:** Enter the construction cost index used in estimating the cost of the project(s). Consult the latest guidance published by DUSD(IA&I).

**Item 5 - Frequency And Type Of Utilization:** Enter the type of utilization (e.g., weekend drill, weeknight drill, unit training activities, annual active duty for training, etc.) and indicate number of days the installation is used per month/year, as appropriate.

**Item 6 - Other Active/Guard/Reserve Installations Within 15 Mile Radius:** List the nearest six existing Active and existing or programmed (within the next five years) Reserve component facilities and their distances, within a fifteen mile radius of the proposed construction site. If no facilities exist within the fifteen mile radius, identify the three closest installations. Indicate the year the facilities were constructed and the size of the facility.

**Item 7 - Projects Requested In This Program:** Installation or activity projects for the budget year shall be listed individually with attendant information provided in the appropriate column. Both major and minor construction projects are to be included.

a. Column 1 - Category Code: Enter the applicable category code consistent with the category code shown in Item 6 of the DD Form 1391.

b. Column 2 - Project Title: Enter the project title consistent with the title shown in Item 4 of the DD Form 1391.

c. Column 3 - Scope: Enter the same quantity shown in Item 9 of the DD Form 1391, Cost Estimates, and include the unit of measure (e.g., SM, SY, LF, PR, EA, CY, etc.). Immediately following or directly beneath the metric quantity and unit of measure, parenthetically include the English quantity and measurement. In those instances where a specific quantity cannot be satisfactorily identified, enter LS for lump sum.



INSTRUCTIONS FOR PREPARATION OF DD FORM 1390s,  
“FY GUARD AND RESERVE FORCES MILITARY CONSTRUCTION (Continued)

d. Column 4 - Cost (\$000): Enter the project cost consistent with the cost shown in Item 8 of the DD Form 1391. If two or more projects are listed, enter the total in this column. In the case of Army National Guard projects where part of the financing is from other than Federal sources, enter only the Federal share.

e. Column 5 - Design Status: Enter the most accurate possible dates for the start and completion of design using numerals (e.g., 6/94, 11/95).

**Item 8 - State Guard/Reserve Forces Facilities Board Recommendations (Date):** Enter the following statement “facilities identified in Item 6 have been examined by the State Reserve Forces Facilities Board for possible joint use/expansion. The Board recommendations are .” (Note: Project folders will contain justification data to support the recommendation.)

**Item 9 - Land Acquisition Required (Number of Acres):** Enter the acreage required for the project and the method of acquisition (e.g., fee, title, donation, lease, etc.). For all projects involving land acquisition, a site survey must be conducted in accordance with DoD Directive 1225.5 and the following statement must be entered, either in Item 9 or Item 10: “Site survey has been completed and site is suitable for constructing the proposed project at the estimated cost indicated.”

**Item 10 - Projects Planned In Next Four Years:** Enter the Project Title and Estimated Cost for projects planned at the installation identified in Item 3 for the next four years beyond this program year. A maximum of five projects should be identified. For armory-type projects, list those facilities which are programmed for replacement within the next four years within a fifteen mile radius of the proposed project as well as the year the facilities were constructed. If none are planned, so indicate. Items shall contain columnar data comparable to that provided in Item 7 with the exception of design status which should be left blank. Also include the restoration and modernization (R&M) unfunded requirement in this block under the heading “R&M Unfunded Requirement.”

**Item 11 - Personnel Strength As Of \_\_\_\_\_:** In the appropriate columns, enter the number of authorized and actual personnel at this facility as of six months prior to project submission.

**Item 12 - Reserve Unit Data:** List the designated units assigned and/or scheduled to be trained in the requested facilities. Enter the corresponding authorized and actual strengths of each unit, indicating actual strength as of the date listed in Item 11.

**Item 13 - Major Equipment and Aircraft:** List the vehicular and/or other large equipment and aircraft which are to be accommodated at the installation and which have a bearing on the type and/or scope of the facility requirement. When vehicle maintenance shops are being requested, the Weighted Equipment Density (WED) for the vehicles to be maintained will be included in this item.

## DD 1391/1391C Military Construction Project Data

1.COMPONENT	FY 20__ MILITARY CONSTRUCTION PROJECT DATA			2. Date
3.INSTALLATION AND LOCATION			4. PROJECT TITLE	
5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST (\$000)	
9. COST ESTIMATES				
ITEM	U/ M	QUAN TITY	Unit Cost	Cost (\$000)
10. DESCRIPTION OF PROPOSED CONSTRUCTION				

## DD 1391/1391C Military Construction Project Data (Continued)

1.COMPONENT	FY 20__ MILITARY CONSTRUCTION PROJECT DATA		2. Date
3.INSTALLATION AND LOCATION		4. PROJECT TITLE	
5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST (\$000)

INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C "FY \_\_ MILITARY  
CONSTRUCTION PROJECT DATA"

1. The DD Form 1391 will be used, as applicable, by the Active, Guard, and Reserve Forces to support each project proposed for inclusion in the Military Construction Program. This includes both new authorization projects in the program as well as urgent unforeseen projects using emergency or contingency authorization. This form will also be used to transmit supporting data for the following types of projects:
  - a. Minor construction projects, 10 U.S.C. 2805.
  - b. O&M type projects required to be submitted to OSD in accordance with the provisions of DoD Directives 4270.36, 1225.7 and 4165.6.
  - c. Nonappropriated fund construction projects requiring OSD concurrence or approval.
  - d. Family housing projects.
2. The continuation sheet (DD Form 1391c) will be used as required for explanation of the requirement for the project (item 11.) and other mandatory statements concerning flood plains and wetlands environmental impact, accessibility to the handicapped, fallout shelters, etc. However, when submitting an annual Military Construction Program, these mandatory statements may be included in the front of the program book.
3. Instructions for preparation of DD Form 1391 are outlined below:
  - a. ITEMS 1 and 2 - COMPONENT AND DATE: Self-evident.
  - b. ITEM 3 - INSTALLATION AND LOCATION: Enter the official name of the installation. Use code name or designations only when necessary to preclude security classification or when an official name is not available. Enter the name of the State if within the United States or the name of the country or island chain if outside the United States. In the case of Guard and Reserve Forces facilities, enter the city and State if the facility is not to be constructed on a military installation.
  - c. ITEM 4 - PROJECT TITLE: Enter the title used in item 8, column 2 of the DD Form 1390, assuring that it corresponds to the category code in item 6.
    - (1) Except for new construction, the type of work, such as "addition," "conversion," "alteration," or "modernization" shall be used in the title.
    - (2) Where a single structure is to serve more than one purpose, the title should reflect the predominate use.
    - (3) The scope of a project or number of buildings involved will not be shown in the title (i.e., and "Enlisted Quarters" project will not be shown as "Two 250 Man Enlisted Quarters.")
    - (4) Avoid the inclusion of acronyms.

DD1391/1391C (Page 3 of 9)

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

(5) If a project requires land acquisition estimated to cost in excess of \$50,000, the project title will be suffixed with "With Land Acquisition". Land to be acquired for the construction of several projects or for other purposes shall be programmed as a separate project and identified on a separate DD Form 1391.

d. ITEM 5 -PROGRAM ELEMENT: Enter the appropriate number as it relates to the "Future Years Defense Program," except when inclusion of this number would require classification of an otherwise unclassified form.

e. ITEM 6 - CATEGORY CODE: Enter the applicable category code using no less than three or more than six digits consistent with item 8, column 1 on DD Form 1390.

f. ITEM 7 -PROJECT NUMBER: Enter the number of the project assigned by the Component concerned. If no number has been assigned, indicate N/A (not applicable).

g. ITEM 8 - PROJECT COST: Enter the estimated cost in thousands of dollars (excluding design except for family housing) for which funding is being requested. The amount indicated should be identical to that shown in item 8, column 4, of the DD Form 1390 and should include the costs of the primary facilities, supporting facilities, contingencies, supervision, inspection, and overhead. Figure will be the Total Request entered in item 9. and will not include the figure entered for "Equipment Provided From Other Appropriations."

h. ITEM 9 - COST ESTIMATES: This portion of the DD Form 1391 is comprised of several elements which collectively comprise the Total Request. Each element will be identified, quantified, and costed in a series of five column entries as follows:

(1) Item: Identity of the Primary or Supporting Facility, etc. After each "Item" entry where the metric measurement (square meters) is used in the Unit of Measure column, include in parenthesis the size of the facility in the English measurement (Square Feet).

(2) U/M (unit of Measure): Each entry in the "item" column will be followed in the "U/M" column by the accepted two-character abbreviation for the unit of measure associated with the quantity of the item concerned (e.g., SM, SY, LF, KV, etc.). Where it is not feasible to show a specific unit of measure, use LS (Lump Sum).

(3) Quantity: Enter the required number of units of measure comprising the "item" entry. Where "LS" is the unit of measure, enter a dash (-).

(4) Unit Cost: Enter the appropriate unit cost for each "item" entry where a unit of measure is indicated. Where the unit of measure is "LS" enter a dash in the unit cost column.

(5) COST (\$000):

(a) Enter the cost, in thousands of dollars, represented by the product of the "Quantity" and "Unit Cost" entries.

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

(b) When a single primary facility is listed enter the cost of the facility without parentheses. If unusual features or functional areas of the primary facility are listed, the cost of each shall be enclosed with parentheses. The sum total cost of these features shall equal the figure entered for the primary facility.

(c) When more than one primary facility is listed, the cost of each facility will be entered in the cost column without parentheses.

(d) The cost entry for the item "Supporting Facilities" shall be entered without parentheses and shall be the total of the various supporting facilities listed. However, each of the individual supporting facility costs shall be enclosed by parentheses.

(e) The cost entered for items such as "Subtotal," "Contingency," "Contract Cost," "SIOH," and "Total Request" shall be entered without parentheses. However, the cost for Equipment Provided From Other Appropriations" shall be entered as a nonadd item.

(f) Projects in category Code 500 will have separately identified the equipment purchased for the Surgeons General as "Category Equipment" showing the total cost of such equipment added to the "Total Request". Labor cost for installation of "Category E" equipment should be included in the unit cost for the primary facility because it is part of the "Total Contract Cost."

(6) **PRIMARY FACILITY:** Enter the identity and required columnar data for the primary facility. When the primary facility consists of two or more components the cost of the primary facility will be the sum of the costs of the individual components. In addition, subordinate components will be entered under the primary facility after indenting two spaces.

(a) Normally, the cost of fixed equipment provided as part of the construction contract (e.g., cooling, heating, and electrical systems, etc.) will be included in the cost of the primary facility. However, when the primary facility includes unusual features of significant cost, such as hyperbaric vessels and standby cooling, such features should be identified under the primary facility.

(b) Land acquisition required specifically for the project and estimated to cost \$50,000 or more shall be listed in the same manner as an unusual feature. Conversely, land acquisitions estimated to cost less than \$50,000 are to be accomplished under 10 U.S.C. 2672 and should not be listed.

(c) For family housing new construction, the entry under primary facility will show the total number of units in the project. As subordinate components to the primary facility "Units to 5' line," "GFE," and "Land Acquisition" will be shown in parentheses in the cost column to add up to the cost of the primary facility shown. "Item 10 will be used to show the numbers and cost computations for the various types of living units which comprise the primary facility.

(d) "Lump-sum" funding requests are prohibited. The only instance for which separate construction projects can be combined under a single DD Form 1391 is when each

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

of the projects is in the same general facility category (i.e., supply facilities, maintenance and production facilities, unaccompanied housing, etc.). Programs such as “facility upgrades,” “ATB Beddown Facilities,” and others combining a number of disparate construction efforts must be justified as separate projects. If it is planned, in execution, to construct several of these projects at a single location under one contract, a statement to that effect should be included in the “Additional” section of Item 10.

(e) Antiterrorism Force Protection/physical security measures: the entry under primary facility will show physical security improvements (e.g. special structural improvements, ballistic glass, etc.). Where land acquisition serves a specific purpose such as stand-off distance for force protection, the acquisition shall be listed as an antiterrorism force protection subordinate component to the primary facility.

(7) SUPPORTING FACILITIES: List those items of construction directly related to and required for the support of the primary facility. Such items should include (a) special construction features (piles, spread footings, seismic, fill, etc.); (b) utilities (gas, oil, steam, electric, and water supply lines as well as sanitary and storm sewers); (c) site preparation; (d) roads, sidewalks, and parking; (e) site improvements (seeding, sodding, landscaping, etc.); (f) antiterrorism force protection/physical security measures such as physical security site improvements (e.g. fencing, perimeter/area lighting, blast mitigation barriers, berms and landscaping, etc); and (g) demolition. All supporting facility items should be listed in terms of accepted units of measure and quantity whenever practicable. For family housing, design cost will be identified under “Supporting Facilities.”

(8) SUBTOTAL: Enter the sum of the costs shown for all primary and supporting facilities.

(9) CONTINGENCY: Enter the appropriate contingency rate, in parentheses, immediately following the item designation in column 1, and enter the cost equivalent in the proper column.

(10) TOTAL CONTRACT COST: Enter the sum of the “Subtotal” and the “Contingency” costs. In the case of Army National Guard, armory projects which are funded, in part, from other than Federal funds, enter the Federal costs on the first line and the State or other cost on the next line below.

(11) SUPERVISION, INSPECTION, AND OVERHEAD (SIOH): Enter the appropriate SIOH rate in column 1 after the item designation and reflect the cost equivalent in the proper column.

(12) DESIGN/BUILD: For major construction projects where the Design/Build contracting method is planned to be used, the design cost associated with the contract should be included in the Cost Estimates (Block 9) section of the DD Form 1391. The entry “Design/Build – Design Cost” will be used and should appear after the “SIOH” entry and before the “Total Request” entry with the associated cost in the proper column.

(13) TOTAL REQUEST: Enter the sum of the “Total Contract Cost” and the “SIOH”. This figure should be identical to the entry in item 8, “Project Cost (\$1000)”. Total request should be rounded-off to provide a more realistic approach to the presentation

## INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

of MILCON programs. The following guidance is provided for “rounding-off” a projects’ total request:

<u>Project (P) Estimate</u> <u>(\$000)</u>	<u>Rounding Guidance</u> <u>(\$000)</u>
< 1,000	Nearest \$ 10K
1,000 to 5,000	Nearest \$ 50K
5,000 to 10,000	Nearest \$ 100K
10,000 to 15,000	Nearest \$ 200K
15,000 to 20,000	Nearest \$ 500K
> 20,000	Nearest \$ 1,000K

(14) **EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS:** Enter the total cost of equipment which is procured with other than MILCON funds and which is essential to the mission of the facility. DD Form 1391 should reflect only the cost of equipment identified in the Associated Equipment Report. If no such major equipment is associated with the project, enter a “zero” in the appropriate space. Note that this figure is not included in the “Total Request” above. This excludes minor items procured with O&M funds, and in the case of Army National Guard, excludes equipment provided from other than Federal appropriations.

i. **ITEM 10 - DESCRIPTION OF PROPOSED CONSTRUCTION:**

(1) In a clear and concise manner, provide a complete outline of all principal features of the work and its correlation with the various data entered in item 9.

(2) State whether or not the proposed construction is in compliance with applicable antiterrorism force protection measures and antiterrorism force protection standards.

(3) Begin with an accurate description of the primary facility. For buildings, indicate the materials planned to be used for the frame, walls, roof, and foundations, and identify the major functions for which space is being provided. For structures other than buildings, describe each major element required to produce a complete and usable facility. Avoid the use of generalities such as “most economical means” or “modern methods and materials.”

(4) Provide only such additional descriptive details as are necessary for clarity.

(5) Identify and list the buildings or structures to be demolished in connection with the proposed construction, if applicable.

(6) For single person quarters projects, indicate the grade mix of personnel, officer or enlisted, who will occupy the facilities.

(7) For projects involving additions, alterations, or conversions, describe the changes to be made.



## INSTRUCTIONS FOR PREPARATION OF DD FORM 1391/1391C (Continued)

(8) At the last entry in item 10, indicate the amount of air conditioning required (e.g., air conditioning - 15 tons).

j. **ITEM 11 - REQUIREMENT:** This portion of the DD Form 1391 is comprised of seven elements which are to be set forth in the following format:

(1) Immediately after the item title “Requirement” indicate, in appropriate units of measure, the total facility requirement (e.g., 5,500 SM), followed by two additional entries giving the status of the existing facility (e.g., adequate: 66,134 SF; substandard: -0-).

(2) **PROJECT:** Provide a one-sentence statement indicating what this project provides.

(3) **REQUIREMENT:** Provide detailed, informative statements as to precisely why the project is needed. Use positive statements to support the requirement and avoid the use of such words as “inadequate,” “uneconomical,” and “necessary” unless they are fully explained. Similarly, when identifying contributing factors, assure that the presentation leaves no pertinent questions unanswered (e.g., vulnerability to terrorist threats (reference threat/vulnerability assessment); excessive maintenance (show cost comparison); self-liquidation (show amortization); or advanced deterioration (describe effects)). The requirements must establish maximum utilization of existing facilities and identify alternatives considered, along with reasons for their rejection. If the project is a result of the Integrated Global Posture and Basing study, include the phrase, “This project is associated with the global Defense posture changes”.

(4) **CURRENT SITUATION.** Describe how and under what conditions the requirement is presently being met. Comments should support the stated requirement and include the identity and description of current assets as well as the reason they are considered unsuitable for continued use. For Guard and Reserve Forces projects which are to replace existing facilities, identify and describe the disposition to be made of them. Similarly, for Guard and Reserve Forces facilities to be constructed and/or utilized jointly with other Guard/Reserve components, include pertinent information and status of coordination or negotiations.

(5) **IMPACT IF NOT PROVIDED.** Describe the manner and extent to which mission accomplishment would be affected if the project were not approved.

(6) **ADDITIONAL.** If the project is justified on an economic basis (primary economic analysis), so state and indicate the projected payback period. As a minimum, all renovation, upgrade, and replacement projects must be supported by an economic analysis. For all other projects, state precisely why a primary economic analysis cannot be applied to the project. When providing supporting documentation for the OSD budget submission, enter appropriate statements on commercial/industrial operations in accordance with the DD

OMB Circular A-76 and as required by applicable DoD Instruction. Entry of this information on the DD 1391 or on a separate DD 1391c is optional. For all overseas projects, state whether or not the project is eligible for NATO Infrastructure or other host nation funding.

(7) **JOINT USE CERTIFICATION.** Include the following certification: “The (enter the title of the certifying official) certifies that this project has been considered for

joint use potential. Joint use construction is recommended.” Or “The (enter the title of the certifying official) certifies that this project has been considered for joint use potential. Unilateral construction is recommended. The reasons for this recommendation are...” The Joint Use Certification is not required for family housing construction projects.

(8) For all unaccompanied housing project requests, the DD Form 1391 is to show all unaccompanied housing restoration and modernization conducted in the past 2 years (BY-2 and BY-1) and all future R&M requirements (defined as R&M funding for unaccompanied housing included in the FYPD years) for unaccompanied housing at that installation. This information should appear as the last data in the DD Form 1391 under the heading "BY-2 Unaccompanied Housing R&M Conducted," "BY-1 Unaccompanied Housing R&M Conducted," and "Future Unaccompanied Housing R&M Requirements."

NOTE: Space requirements for items 10 and 11 will vary. Therefore, remaining space on the DD Form 1391 may be used as necessary for the specific entries and continued on a DD Form 1391c as appropriate. A solid, black line should be used to set items 10 and 11 apart, and individual item titles and subheadings should be added.

## MC-1 Implementation of Major Initiatives

**Implementation of Major Initiatives****Appropriation:** \_\_\_\_\_**Major Initiative #:** \_\_\_\_\_ (choose from the list below)**Major Initiative Title:** \_\_\_\_\_ (should correspond to the number chosen above)**General Description of Major Initiative:** (Explain the overall strategic goal.)**Total Budget Year Funding Obligation Plan (\$000):** \_\_\_\_\_**Budget Year Implementation Plan:** Explain what will be accomplished in the budget year to support the initiative. Be specific, including the impact on force structure.

- 001 - Modularity
- 002 – Global Defense Posture (Discontinued)
- 003 – New Mission
- 004 – BRAC - Global Defense Posture (Discontinued)
- 005 – BRAC – Army Modularity (Discontinued)
- 006 – BRAC
- 007 – Family Housing - Global Defense Posture
- 008 – Family Housing – Army Modularity
- 009 – Family Housing - Privatization
- 010 – Family Housing - Other
- 011 – Improve Quality of Life (e.g. Child Care Centers but excluding housing/barracks)
- 012 – Barracks Initiative
- 013 – Replace Aging Facilities
- 014 – Growing the Force – Military Construction
- 015 – Growing the Force – Family Housing
- 016 – Other
- 017 – Planning and Design
- 018 – Minor Construction
- 019 – Nuclear Security
- 020 – Training Barracks Initiative
- 021 – Global Posture – BCTs in Europe
- 022 – Global Posture – AFRICOM Headquarters
- 023 – Global Posture – Missile Defense
- 024 – Global Posture – Other Europe
- 025 – Global Posture – Relocation of Marines from Okinawa to Guam
- 026 – Global Posture – USFK housing to Support YRP/LPP/Phase I Tour normalization
- 027 – Global Posture – Phase II & III Tour Normalization
- 028 – Global Posture – Other Asia Pacific
- 029 – Global Posture – CENTCOM AOR
- 030 – Global Posture – AFRICOM AOR
- 031 – Global Posture – Mayport
- 032 – Global Posture – Consequence Management (Western Hemisphere)
- 033 – Global Posture – Other (be specific)
- 034 – Energy Savings Initiative
- 035 – Homeport Ashore Barracks Initiative
- 036 – Dorms for Airmen

**MC-1 Implementation of Major Initiatives**

## MC-2 Guard and Reserve Joint Military Construction Project Exhibit

## Joint Military Construction Project Exhibit

[ Lead Component]

FY \_\_\_\_ - FY \_\_\_\_ Program/Budget Review

(Dollars in Thousands)

Location:

Project Title:

Lead Component:

Funding Requirement

	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
Army Reserve					
Army National Guard					
Navy/MC Reserve					
Air Force Reserve					
Air National Guard					
<b>Total Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Budgeted Amount

	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
Army Reserve					
Army National Guard					
Navy/MC Reserve					
Air Force Reserve					
Air National Guard					
<b>Total Requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Instructions:**

1. For each joint project, fill in the information above (each project should be identified separately).
2. In the "Funding Requirement" section, enter the amounts that each Component is expected to contribute to the joint project.
3. In the "Budgeted Amount" section, enter the amount that has been included in the FY \_\_\_\_ - FY \_\_\_\_ budget submission.
4. All dollars should be in thousands.

## Exhibit FH-1 Tri-Service Family Housing Cost Model

TRI-SERVICE FAMILY HOUSING COST MODEL

Service	Activity and Location	Project Number	Fiscal Year
_____	_____	_____	_____

Harsh climate location? (Y/N)	Overseas? (Y/N)	Replacement? (Y/N)	ACF
_____	_____	_____	_____

DWELLING COSTS:						Dwelling	Cumulative
Paygrade	Bedrooms	Size of House	\$/GSM	# of units	Project Factor	Cost (000)	Project Cost
_____	_____	(NSF/GSF/GSM)(	_____	_____	_____	\$ _____	(000)
_____	_____	(NSF/GSF/GSM)(	_____	_____	_____	\$ _____	
DWELLING TOTAL:						\$ _____	

## PROJECT FACTORS:

( ) ( ) = \_\_\_\_\_  
 (ACF) (Proj Size Factor) = Project Factor

## ADJUSTMENT TO DWELLING COSTS:

	Unit Cost	No. Units	Project Factor	= Adjustment (000)
Additional Fire Protection/Unit	( )	( )	( )	= \$ _____
Renewable Energy Source Cost/Unit	( )	( )	( )	= \$ _____
Other Special Construction/Unit	( )	( )	( )	= \$ _____
TOTAL ADJUSTMENTS:				\$ _____ \$ _____
Avg. Unit Costs:				= \$ _____

## SUPPORT COSTS:

Lot Costs	\$ _____
Site Improvements	\$ _____
Utility Mains	\$ _____
Streets	\$ _____
Landscaping	\$ _____
Recreation	\$ _____
Environmental	\$ _____
Demolition	\$ _____
Special Construction Features	\$ _____
Other (Specify)	\$ _____

TOTAL SUPPORT COSTS: \$ \_\_\_\_\_ \$ \_\_\_\_\_

## SUMMARY:

( ) + ( ) + ( ) =	\$ _____	\$ _____
( Dwelling Cost ) + ( Adjustment ) + ( Support Cost ) =	<u>Subtotal</u>	
( Subtotal ) + ( Contingency ) + ( SIOH ) + ( Design ) =		\$ _____
		<u>Project Cost</u>

PROJECT SIZE:	NSF	GSF	GSM	NSF	GSF	GSM
	( )	( )	( )	Normalized Average Costs (ACF=1)		
Adj. Dwelling Cost per Project Size:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Project Cost per Project Size:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

The Unit Cost Per Gross Square Meter, Project Size Factors, and Area Cost Factors (ACF) will be provided in Unified Facilities Criteria (UFC) 3-701-03 each year

**Exhibit FH-1 Tri-Service Family Housing Cost Model**

## Exhibit FH-2 Family Housing O&amp;M

		Family Housing, _____			
		Operation and Maintenance Summary			
		(Excludes Leased Units and Costs)			
		FY _____			
		<u>FY(PY)</u>		<u>FY(CY)</u>	<u>FY(BY)</u>
A.	<u>Inventory Data</u>				
	Units in Beginning of Year				
	Units at End of Year				
	Average Inventory for Year				
a.	Historic Units <u>1/</u>				
Units Requiring O&M Funding:					
a.	Conterminous U.S.				
b.	U.S. Overseas				
c.	Foreign				
d.	Worldwide				
		<u>Unit</u>		<u>Unit</u>	
		<u>Cost 2/</u>	<u>Total</u>	<u>Cost 2/</u>	<u>Total</u>
B.	<u>Funding Requirement</u>				
1.	Operations				
a.	Management				
b.	Services				
c.	Furnishings				
d.	Miscellaneous				
	Subtotal-- Direct Obligations				
	Anticipated Reimbursements				
	Gross Obligations--Operations				
2.	Utilities - Direct Obligations				
	Anticipated Reimbursements				
	Gross Obligations--Utilities				
3.	Maintenance				
a.	M&R, Dwellings				
b.	M&R, Exterior Utilities				
c.	M&R, Other Real Property				
d.	Alterations & Additions				
	Subtotal--Direct Obligations				
	Anticipated Reimbursements				
	Gross Obligations--Maintenance				
	Grand Total, O&M - Direct Obligations				
	Grand Total, Anticipated Reimbursements				
	Grand Total, O&M - Gross Obligations				

1/ Show, as a subset of "Average Inventory for Year," the total number of units classified as historic (units that DoD must manage in accordance with the National Historic Act of 1966).

2/ Based on number of units requiring O&M funding

**Exhibit FH-2 Family Housing O&M**

## Exhibit FH-3 Furnishings Summary

Family Housing, \_\_\_\_\_  
 Furnishings Summary  
 (Dollars in Thousands)  
 FY \_\_\_\_\_

	<u>Furnishings less Household Equipment</u>					<u>Household Equipment</u>				<u>Total Furnishings</u>					
	Movg/	Maint/	Replace	Initial	<u>Total</u>	Movg/	Maint/	Replace	Initial	<u>Total</u>	Movg/	Maint/	Replace	Initial	<u>Total</u>
	<u>Hdling</u>	<u>Repair</u>	<u>ment</u>	<u>Issue</u>		<u>Hdling</u>	<u>Repair</u>	<u>ment</u>	<u>Issue</u>		<u>Hdling</u>	<u>Repair</u>	<u>ment</u>	<u>Issue</u>	
(PY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															
(CY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															
(BY)															
CONUS															
US O/S															
Foreign															
Public															
Private															
Total															

INSTRUCTIONS FOR PREPARATION OF FAMILY HOUSING FURNISHINGS  
SUMMARY EXHIBIT FH-3

General. Furnishings to be included in Exhibit FH-3 are defined in Enclosure 6 to DoD Instruction 4165.43. For Unaccompanied Personnel Housing furnishings, see Exhibit OP-21, Chapter 232, this Manual.

Prior Year Data. For the prior year, enter estimated end year obligations.

Current and Budget Year Data. Estimates should be based on requirements determined to be in accordance with Section XI of DoD Instruction 4165.43 and applicable experience data. Provide an explanation for differences of more than \$1 million or 10%, whichever is less, between the total amount shown for furnishings in the current year and the budget year.

Moving and Handling. All identifiable transportation, handling and storage costs should be included here.

Initial Issue. Certain initial issue movable equipment, such as stoves and refrigerators, is usually procured as part of a construction project with construction funds, instead of operation funds. Likewise, in some circumstances leasing funds are utilized for furnishings in leased quarters. The FH-3 should reflect all family housing resources applied to furnishings, with memo entries to indicate the amounts funded from accounts other than the Furnishings portion of Operations and Maintenance.



## Exhibit FH-4 Analysis of Leased Units

**Family Housing, \_\_\_\_\_**  
**Analysis of Leased Units**  
**FY \_\_\_\_\_**

<u>Location</u>	FY(PY)			FY(CY)			FY(BY)		
<u>Unit</u> <u>Auth</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Unit</u> <u>Auth</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	<u>Unit</u> <u>Auth</u>	<u>Lease</u> <u>Months</u>	<u>Cost</u> <u>(\$000)</u>	

Domestic Leases

(list each location  
and month in which the  
annual award is exercised)

Total Domestic Leases

Foreign Leases

(list each location  
and month in which the  
annual award is exercised)

Total Foreign Leases

Grand Total

**Exhibit FH-4 Analysis of Leased Units**

## Exhibit FH-5 General and Flag Officers' Anticipated Expenditures

Department of the <sup>1</sup> \_\_\_\_\_  
 General and Flag Officers' Quarters (GFOQ)  
 Operations and Maintenance Expenditures Anticipated to Exceed \$35,000 per Unit for Fiscal Year  
 FYXX<sup>2</sup>  
 (Dollars in Thousands)

<u>State/ Country</u> <sup>3</sup>	<u>Installation</u> <sup>4</sup>	<u>Quarters Address</u> <sup>5</sup>	<u>Year Built</u> <sup>6</sup>	<u>Size NSF</u> <sup>7</sup>	<u>Opns Cost</u> <sup>8</sup>	<u>Utilities Cost</u> <sup>9</sup>	<u>Maint Cost</u> <sup>10</sup>	<u>Leasing Cost</u> <sup>11</sup>	<u>Total Costs</u> <sup>12</sup>
--	----------------------------------	--	------------------------------------	----------------------------------	-----------------------------------	--	-------------------------------------	---------------------------------------	--------------------------------------

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Total GFOQ Costs

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Total GFOQ # Units

Footnotes<sup>13</sup>:Instruction Notes:

- 1 Service name.
- 2 Budget year.
- 3 State name or foreign country.
- 4 Installation name.
- 5 Specific quarters address or unit identification.
- 6 Calendar year in which the dwelling unit or building (in case of multiple units) was built. Identify with an asterisk (\*) next to the year built those units that are on the national, state and/or local historic registry.
- 7 Total net square footage of the dwelling unit.
- 8 Total operations (BA6) anticipated for the fiscal year.
- 9 Total utilities (BA5) anticipated for the fiscal year.
- 10 Total maintenance (BA10) expenditure anticipated for the fiscal year.
- 11 Total Leasing (BA7) expenditure for the fiscal year, if applicable.
- 12 Total Family Housing Operations and Maintenance expenditures anticipated for the GFOQ unit for the fiscal year.
- 13 Include any non- Family Housing O&M expenditures anticipated and a short description of these expenditures in a footnote.

\* Show these cost figures in thousands of dollars, carried out to no more than one decimal place.

**FH-5 Exhibit General and Flag Officers' Anticipated Expenditures**





## Exhibit FH-8 Inadequate Family Housing Elimination

Family Housing \_\_\_\_\_  
Annual Inadequate Family Housing Elimination

	Total Inventory	Total Inadequate Inventory	Total Inadequate Addressed
Total Units at beginning of FY 200x	1/	2/	
FY 200x total traditional military construction (Milcon) projects to eliminate inadequate units	3/	3/	3/
project 1/installation	3/	3/	3/
project 2/installation	3/	3/	3/
etc.	3/	3/	3/
FY 200x total units privatized (no longer require FH O&M) to eliminate inadequate housing	3/	3/	3/
project 1/installation	3/	3/	3/
project 2/installation	3/	3/	3/
etc.	3/	3/	3/
FY 200x total units demolished/divested/ or otherwise permanently removed from family housing inventory	3/	3/	3/
project 1/installation			
project 2/installation			
etc.			
Total Units at end of FY 200x	1/	2/	
Note: The beginning total inventory and total inadequate inventory figures represent the sum total for all installations world-wide. The data listed for the individual projects/installations is a subset.			

1/ These total figures for the beginning and end of the fiscal year must cross-reference to the similar figures in Exhibit FH-2 and the FH-11 summary tables in the budget justification book.

2/ These total figures for the beginning and end of the fiscal year must cross-reference to the similar figures in Exhibit FH-11 summary table in the budget justification book.

3/ The Total Inventory data, Total Inadequate Inventory data, and Total Inadequate Addressed data should be included for each location in which the Service has a funded traditional Milcon project, will award a privatization project, or expects to demolish, divest, or otherwise permanently remove units from the family housing inventory.

## Exhibit FH-8 Inadequate Family Housing Elimination

## Exhibit FH-9 General and Flag Officers' Expenditures

Department of the <sup>1</sup> \_\_\_\_\_  
 General and Flag Officers' Quarters (GFOQ)  
 Operations and Maintenance Expenditures for Fiscal Year XXXX<sup>2</sup>  
 (Dollars in Thousands\*)

<u>State/ Country</u> <sup>3</sup>	<u>Installation</u> <sup>4</sup>	<u>Quarters Address</u> <sup>5</sup>	<u>Year Built</u> <sup>6</sup>	<u>Size NSF</u> <sup>7</sup>	<u>Opns Cost</u> <sup>8</sup>	<u>Utilities Cost</u> <sup>9</sup>	<u>Maint Cost</u> <sup>10</sup>	<u>Leasing Cost</u> <sup>11</sup>	<u>Total Costs</u> <sup>12</sup>
--	----------------------------------	--	------------------------------------	----------------------------------	-----------------------------------	--	-------------------------------------	---------------------------------------	--------------------------------------

13

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Total GFOQ Costs

---

Total GFOQ # Units  
 #Owned Units  
 # Leased Units  
 # Privatized Units<sup>13</sup>

Footnotes<sup>14</sup>:Instruction Notes:

- 1 Service name.
- 2 Budget year.
- 3 Name of state or foreign country.
- 4 Installation name.
- 5 Specific quarters address or unit identification.
- 6 Calendar year in which the GFOQ unit was built. Identify with an asterisk (\*) next to the year built those units that are on the national, state and/or local historic registry.
- 7 Total net square footage of the dwelling unit.
- 8 Total operations (BA6) anticipated for the fiscal year.
- 9 Total Utilities (BA5) anticipated for the fiscal year.
- 10 Total Maintenance (BA8) expenditure anticipated for the fiscal year.
- 11 Total Leasing (BA7) expenditure for the fiscal year, if applicable.
- 12 Total Family Housing Operations and Maintenance expenditures anticipated for the GFOQ unit for the fiscal year.
- 13 Annotate privatized units on the list with an asterisk after the installation location.
- 14 Include any non- Family Housing O&M expenditures anticipated and a short description of these expenditures in a footnote.

\* Show these cost figures in thousands of dollars, carried out to no more than one decimal place.

**Exhibit FH-9 General and Flag Officer' Expenditures**

Exhibit FH-10 GFOQ 6,000 NSF Units for FY 2XXX

[Department Name]

General and Flag Officers' Quarters (GFOQ)

6,000 NSF Units for Fiscal Year 2XXX

(Dollars in Thousands)

State/Country	Installation	Quarters ID	Year Built	Size NSF	Total FH O&M Cost	Alternative Use	Cost to Convert Unit	If O&M>\$35K Demolish & Rebuild Cost
California	China Lake	Unit #1	1994	6,500	\$100	This house could be converted to a childcare center.	\$5,000	\$500
<b>Total</b>					<b>\$100</b>		<b>\$5,000</b>	<b>\$500</b>

Exhibit FH-10 GFOQ 6,000 NSF Units for FY 2XXX

## FH 11 Inventory and Condition Government-Owned, Family Housing Units United States

DEPARTMENT OF \_\_\_\_\_  
 FH-11 Inventory and Condition of Government-Owned, Family Housing Units  
 UNITED STATES (CONUS plus Hawaii and Alaska)  
 (Number of Dwelling Units in Inventory)  
 Fiscal Year 20XX

	Number of Units - U.S.						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%
<b>Inadequate Inventory Reduced Through:</b>	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
<b>Adequate Inventory Changes:</b>	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%

## NOTE:

1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.



## FH 11 Inventory and Condition Government-Owned, Family Housing Units Foreign

DEPARTMENT OF \_\_\_\_\_  
 FH-11 Inventory and Condition of Government-Owned, Family Housing Units  
 FOREIGN (includes U.S. Territories)  
 (Number of Dwelling Units in Inventory)  
 Fiscal Year 20XX

	Number of Units - Foreign						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%
<b>Inadequate Inventory Reduced Through:</b>	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
<b>Adequate Inventory Changes:</b>	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%
NOTE:							
1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.							

## FH 11 Inventory and Condition Govenement-Owned, Family Housing Units Worldwide

DEPARTMENT OF _____							
FH-11 Inventory and Condition <sup>1</sup> of Government-Owned, Family Housing Units WORLDWIDE (Number of Dwelling Units in Inventory) Fiscal Year 20XX							
	Number of Units - Worldwide						
	PY	CY	BY	BY+1	BY+2	BY+3	BY+4
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-
Q1 - 90% to 100%	-	-	-	-	-	-	-
Q2 - 80% to 89%	-	-	-	-	-	-	-
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-
Q3 - 60% to 79%	-	-	-	-	-	-	-
Q4 - 59% and below	-	-	-	-	-	-	-
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%
<b>Inadequate Inventory Reduced Through:</b>	-	-	-	-	-	-	-
Construction (MilCon)	-	-	-	-	-	-	-
Maintenance & Repair (O&M)	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
Funded by Host Nation	-	-	-	-	-	-	-
<b>Adequate Inventory Changes:</b>	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-
Q1 - 90% to 100%	-	-	-	-	-	-	-
Q2 - 80% to 89%	-	-	-	-	-	-	-
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-
Q3 - 60% to 79%	-	-	-	-	-	-	-
Q4 - 59% and below	-	-	-	-	-	-	-
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%
<b>DoD Performance Goal - At least 90% Q1/Q2 beginning in FY 2012</b>		90%	90%	90%	90%	90%	90%
NOTE:							
1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.							
Include narrative describing the Service's funding and improvement strategy for maintaining at least 90% of the world-wide, government-owned Family Housing inventory at good or fair (Q1/Q2) condition, beginning in FY 2012, except for Navy with a goal of FY 2017. If the Service will not meet the DoD Performance Goal beginning in FY 2012 or for Navy by FY 2017, please provide the reasons behind the delay, the funding plan to accomplish this goal, and the fiscal year when the DoD goal will be met.							

## Exhibit FH-12 Privatized GFOQ Private Sector Cost Exceeding

**AGENCY NAME**  
**Privatized General and Flag Officers' Quarters**  
**Operations, Maintenance and Repair Costs Incurred by Private Sector Developer/Partner/Owner**  
**Exceeding \$50K per Housing Unit**  
**for Fiscal Year 2##**  
**(Dollars in Thousands)**

[illegible]**Exhibit FH-12 Privatized GFOQ Private Sector Costs Exceeding \$50K**

**Notes:**

1. Place an asterisks (\*) by the GFOQ units, where Utility Costs are included as part of Operation Costs.
2. This annual report complies with the FY 2009 National Defense Authorization Act (NDAA), amended section 2805 requirement.



## Exhibit FH-14: FhIF Admin Requirements

## Family Housing Improvement Funds (FHIF) Admin Requirements (FH-14)

## Military Housing Privatization Initiative (MHPI) Program Support

## Consolidated OSD and DFAS Requirements

FY 20XX

(Dollars in thousands)

		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
CIS					
<u>OCC<sup>1</sup></u>	<u>CIVILIAN LABOR</u>				
	Number of FTE <sup>2</sup> - Direct				
	Number of FTE <sup>2</sup> - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
<b>Total Labor</b>		-	-	-	
21010	Travel				
25210	Training - Non-Federal Sources				
25310	Training - Federal Sources				
23010	Rent, Communications & Utilities				
24010	Printing and Reproduction				
26010	Supplies & Material				
31010	Equipment Purchases (please specify if IT or non-IT)				
	<u>Other Contractual Services (Please list contracts and amounts):</u>				
25110	<u>Advisory and Assistance Services:</u>				
25210	<u>Other Services from non-Federal Sources:</u>				
25310	<u>Other Goods and Services from Federal Sources:</u>				
<b>Total Non-Labor</b>		-	-	-	
<b>Total FHIF Admin Request for OSD FE&amp;P</b>		-	-	-	

## FH-14 FHIF Admin Requirements

Notes:

1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.

2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

Family Housing Improvement Funds (FHIF) Admin  
 Military Housing Privatization Initiative (MHPI) Program Support  
 For OSD Facilities Energy & Privatization (FE&P)  
 FY 20XX  
 (Dollars in thousands)

		FY 20XX	FY 20XX	FY 20XX	
		(PY)	(CY)	(BY)	Comments
CIS					
<b>OCC<sup>1</sup></b>	<b>CIVILIAN LABOR</b>				
	Number of FTE <sup>2</sup> - Direct				
	Number of FTE <sup>2</sup> - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
<b>Total Labor</b>		-	-	-	
21010	Travel				
25210	Training - Non-Federal Sources				
25310	Training - Federal Sources				
23010	Rent, Communications & Utilities				
24010	Printing and Reproduction				
26010	Supplies & Material				
31010	Equipment Purchases (please specify if IT or non-IT)				
	<u>Other Contractual Services (Please list contracts and amounts):</u>				
25110	<u>Advisory and Assistance Services:</u>				
25210	<u>Other Services from non-Federal Sources:</u>				
25310	<u>Other Goods and Services from Federal Sources:</u>				
<b>Total Non-Labor</b>		-	-	-	
<b>Total FHIF Admin Request for OSD FE&amp;P</b>		-	-	-	

FH-14 FHIF Admin Requirements

**Notes:**

1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.

2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

Family Housing Improvement Funds (FHIF) Admin  
 Military Housing Privatization Initiative (MHPI) Program Support  
 For Defense Finance and Accounting Services (DFAS) Indianapolis (IN)  
 FY 20XX  
 (Dollars in thousands)

CIS		FY 20XX (PY)	FY 20XX (CY)	FY 20XX (BY)	Comments
<b>OCC<sup>1</sup></b>	<b><u>CIVILIAN LABOR</u></b>				
	Number of FTE <sup>2</sup> - Direct				
	Number of FTE <sup>2</sup> - Reimbursable				
11110	Full-Time Permanent Positions - Basic Compensation				
11310	Other Than Full-Time Permanent - Basic Compensation				
11510	Other Personnel Pay (overtime/comptime, awards, etc.)				
12110	Civilian Personnel Fringe Benefits				
	<b>Total Labor</b>	-	-	-	
21010	Travel				
25210	Training - Non-Federal Sources				
25310	Training - Federal Sources				
23010	Rent, Communications & Utilities				
24010	Printing and Reproduction				
26010	Supplies & Material				
31010	Equipment Purchases (please specify if IT or non-IT)				
	<b><u>Other Contractual Services (Please list contracts and amounts):</u></b>				
25110	<b><u>Advisory and Assistance Services:</u></b>				
25210	<b><u>Other Services from non-Federal Sources:</u></b>				
25310	<b><u>Other Goods and Services from Federal Sources:</u></b>				
	<b>Total Non-Labor</b>	-	-	-	
	<b>Total FHIF Admin Request for DFAS-IN</b>	-	-	-	

FH-14 FHIF Admin Requirements

**Notes:**

1 - CIS Object Class Codes (OCC), which can also be found in OMB Circular A-11.

2 - Provide number of Full-Time Equivalent (FTE) and type of support being provided by FTE in the comment column.

## Exhibit FH-15 Reestimate Cash Flow Status Exhibit

**PBXX Reestimate CASH FLOW STATUS (FH-15)**  
**DEPARTMENT OF THE \_\_\_\_\_**  
**FOR FY 20XX<sup>1</sup>**

File Name	Cash Flows	
	Correct As Is	Need Further Changes
<b>DIRECT LOAN CASH FLOW FILES:</b>		
<b>LOAN GUARANTEE CASH FLOW FILES:</b>		

Cash Flows Requiring Further Revision	
File Name	Revision/Comments

**Point of Contact for Additional Information:**

Name:

Telephone number:

Email address:

**FH-15 Reestimate Cash Flow Status Exhibit****Note:****1 – Current Year (CY) of President's Budget**



## Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases

Reconciliation of Increases and Decreases

(Dollars in Thousands)

1. FY 19CY President's Budget Request
2. Congressional Adjustments:
  - a.
  - b.
  - c.
  - etc.
3. FY 19CY Appropriated Amount
4. Supplemental Appropriation (if applicable):
  - a. Civilian Pay Raise
    - 1) General Schedule
    - 2) Wage Board
  - b. Program Supplemental
    - 1)
    - 2)
    - etc.
5. Price Growth:  
(Categorize and explain significant price growth.)
6. Functional Program Transfers:
  - a) Transfers in
    - 1)
    - 2)
    - etc.
  - b) Transfers Out
    - 1)
    - 2)
    - etc.

Exhibit OP -5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases (page 1 of 3)

## Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases (Continued)

(This category should be used only when a program function is transferred between activity groups or Services. This category should not be used to show the transfer of funds between activity groups in instances where the transfer of funds is not accompanied by a functional transfer of the program for which the funds were initially requested. Also see end “NOTE” on next page)

## Exhibit OP-5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases (Continued)

Reconciliation of Increases and Decreases (Continued)

(Dollars in Thousands)

7. Program Increases: (For each program increase or decrease, provide
  - a. quantitative and qualitative information relative
  - b. to these changes, as well as the baseline
  - c. (in dollars) to which the increase or decrease
  - etc. applies. Increases and decreases should address  
specific adjustments in program, particularly  
changes in inventory, management initiatives, transfers,  
statutory requirements, etc.)
8. Program Decreases:
  - a.
  - b.
  - c.
  - etc.
9. FY 19CY Current Estimate
10. Price Growth (See 5 above)
11. Functional Program Transfers (See 6 above)
12. Program Increases (See 7 above)
13. Program Decreases (See 8 above)
14. FY 19BY1 Budget Request
15. Price Growth (See 5 above)
16. Functional Program Transfers (See 6 above)
17. Program Increases (See 7 above)
18. Program Decreases (See 8 above)
19. FY 19 BY2 Budget Request

NOTE: If a particular category of increase or decrease does not apply, leave it off the Exhibit OP-5 (rather than include it on the Exhibit OP-5 with a value of zero). Reprogramming actions included in the budget submission for the Current Year other than 1415-IR functional transfers should be shown separately. Except for this, categories of increases and/or decreases other than those shown above should not be used.

**Exhibit OP -5 (Part 2) Attachment 1: Reconciliation of Increases and Decreases** (page 3 of 3)

## Exhibit HA-1 Homeowners Assistance - Workload and Obligation Data

**HOMEOWNERS' ASSISTANCE FUND, DEFENSE  
WORKLOAD AND OBLIGATION DATA**

FY \_\_\_\_\_

	Actual FY (PY)			Estimated FY (CY)			Estimated FY (BY)		
	Dollars		Average	Dollars		Average	Dollars		Average
	<u>Units</u>	<u>(000)</u>	<u>(\$)</u>	<u>Units</u>	<u>(000)</u>	<u>(\$)</u>	<u>Units</u>	<u>(000)</u>	<u>(\$)</u>
1. Investment									
a. Equity Payments									
b. Liquidation of Second Mortgages									
c. Total Payments									
d. Mortgages Assumed									
e. Total Investment									
2. Expense - Corps of Engineers									
a. Payments - Private Sales									
b. Payments - Foreclosures									
c. Subtotal - Reimbursements to Homeowners									
d. Appraisals									
e. Administrative Expense									
f. Total Expense - CoE									
3. Expense - FHA									
a. Management & Maintenance of Homes									
b. Sales Expense									
c. Administrative Expense									
d. Total Expense - FHA									
4. Total Expense									
5. Total Program - Investment and Expense									

Exhibit HA-1 Homeowners Assistance – Workload and Obligation Data

## Exhibit HA-2 Homeowners Assistance Status of Accounts

HOMEOWNERS' ASSISTANCE FUND, DEFENSE  
STATUS OF ACCOUNTS

<u>ITEM</u>		<u>Cash</u>	<u>Authority to</u>	
		<u>(\$000)</u>	<u>Spend Agency</u>	<u>Total</u>
			<u>Debt Receipts</u>	<u>(\$000)</u>
			<u>(\$000)</u>	<u>(\$000)</u>
1.	EXPENDITURE ACCOUNT - RESOURCES AND APPLICATIONS (OBLIGATION BASIS)			
a.	Resources			
(1)	Unobligated balance, start of year			
(2)	Appropriations			
(3)	New authorization to spend Agency debt receipts			
(4)	Revenue			
(a)	Sales (Cash)			
(b)	Other Revenue			
(5)	Principal payments on mortgages (retirement of debt)			
(6)	Total			
b.	Applications			
(1)	Payments on acquisition of properties			
(2)	Value of mortgages payable assumed			
(3)	Expenses			
(4)	Transfer to miscellaneous receipts			
(5)	Total			
c.	Unobligated balance, end of period (line 1a(6) minus 1b(5))			
2.	PROPERTY ACCOUNT			
a.	On hand, start of year			
b.	Payments for equity and second mortgages on acquisition of properties			
c.	Value of mortgages payable assumed			
d.	Less acquisition price of properties sold or disposed of otherwise (line 5b(1) below)			
e.	On hand; end of period			
3.	BORROWING ACCOUNT (MORTGAGES PAYABLE)			
a.	Balance payable, start of year			
b.	Value of mortgages payable assumed			
c.	Less payments on principal			
d.	Less value of mortgages liquidated			
e.	Subtotal - Principal payments (retirement of debt)			
f.	Balance payable, end of period			
4.	NET EQUITY IN PROPERTY (line 2e minus line 3f)			
			Total	
			(\$000)	Average (\$)
5.	RECAPITULATION FOR PROPERTIES SOLD			
a.	Sales price			
b.	Less:			
(1)	Acquisition Price			
(2)	FHA or ACE Administrative Expenses			
c.	Net gain or (loss)			

\* Excludes Corps of Engineers Expense and FHA Expense

Exhibit HA-2 Homeowners Assistance Status of Accounts

## Exhibit HA-3 Homeowners Assistance Work Unit Data

**HOMEOWNERS' ASSISTANCE FUND, DEFENSE**  
**WORK UNIT DATA**  
 FY \_\_\_\_\_

<u>ITEM</u>	<u>MILITARY</u>	<u>CIVILIAN</u>	<u>TOTAL</u>
1. APPLICATIONS FOR ASSISTANCE			
a. On hand - start of			
b. Received			
c. Less Actions Completed			
(1) Homes Acquired - For Outstanding Mortgage Balances			
(2) Homes Acquired - At 75%			
(3) Homes Acquired - No Mortgage			
(4) Reimbursements for Losses on Private Sales			
(5) Payments in Foreclosure Cases			
(6) Settlements - No Payment Due			
(7) Other (Not Eligible)			
d. On hand - end of period			
2. ACQUIRED HOMES			
a. On hand - start of year			
b. Acquired			
c. Disposed of			
d. On hand - end of period			
3. MORTGAGES PAYABLE			
a. On hand - start of year			
b. Assumed			
c. Less Liquidations			
d. On hand - end of period			
4. OTHER DATA			
a. Second Mortgages Liquidated			
b. Appraisals Made			
c. Appeals processed			
(Approved)			
(Disapproved)			

Exhibit HA-3 Homeowners Assistance Work Unit Data

## Exhibit HA-4 Homeowners Assistance Program and Financing

**Homeowners' Assistance Fund, Defense  
Program and Financing  
FY \_\_\_\_\_**

	<u>FY PY</u> <u>Actual</u>		<u>FY CY</u> <u>Estimate</u>		<u>FY BY</u> <u>Estimate</u>
	<u>Obligations</u>		<u>Obligations</u>		<u>Obligations</u>
<u>Units</u>	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>	<u>Units</u>	<u>(\$000)</u>
Payments to homeowners <u>1/</u>					
Other operating costs <u>2/</u>					
Acquisition of properties <u>3/</u>					
Mortgages assumed <u>4/</u>					
Total program					
Available from prior year					
Estimated revenue <u>5/</u>					
Available for other years					
Budget Authority					
Authorization to spend agency					
debt receipts					
Appropriation					

- NOTES: 1/ Reimbursements to homeowners for losses; private sales or foreclosures. Work unit, "number of payments."  
2/ DoD and FHA expenses. Work unit, "total number of applications processed, including rejections."  
3/ Payments to homeowners for equity in properties acquired by the Government. Work unit, "number of properties."  
4/ Value of mortgage balances assumed by the Government on properties acquired. Work unit "number of mortgages assumed."  
5/ Recovery of Government's investment by the sale of properties. Work unit, "number of properties sold."

Exhibit HA-4 Homeowners Assistance Program and Financing

## Exhibit NSIP -1 NSIP Project Data

**NATO Security Investment Program (NSIP) Project Data**

Location	Installation	Project Title	Project Description	Budget Scheme	Project Cost	U. S. Cost Share	Other Nation Cost Share

## Instructions:

1. This exhibit will identify the NSIP requirements, both military construction and procurement, at the project level detail. The exhibit should be completed for both the normal NSIP requirements and NATO Expansion requirements. The listing should be sufficiently detailed to identify discrete projects and initiative; aggregation at the capability package level i.e., Defense of the Mediterranean, is NOT sufficiently detailed.
2. Data should be submitted in hard copy and on a disk in a Microsoft Access format or in Microsoft Excel format.
3. Location: State or country where the project will be executed, i.e. Alaska, Turkey, or Italy.
4. Installation: Base where the project will be executed, i.e. Aviano AB.
5. Project Title.
6. Project Description: Explanation and description of each project.
7. Budgeted Scheme: Identify the number of NATO nations sharing in the cost of the project.
8. Project Cost: The total cost for the NSIP project. The projects cost should be displayed in thousands.
9. U.S. Cost Share: Identify the estimated U.S. share of the project cost. The U.S. share should be displayed in thousands.
10. Other NATO Cost Share: Identify the estimated share of the other NATO nations. The cost should be displayed in thousands.
11. This exhibit should be completed for the current year and budget year, i.e., current year FY 2001; budget Year FY 2002.
12. The hard copy and electronic submission should include a total that reflects the cost of normal NSIP requirements and NSIP Expansion requirements by fiscal year.

**Exhibit NSIP-1 NSIP Project Data**



## Exhibit NSIP-2 NSIP Recoupment Estimates

## NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM RECOUPMENT ESTIMATES

Component	Appropriation	Fiscal Year	Location	Installation	Project Title	Slice/Serial (if known)	Recoupment Budget Estimate	Rate of Conversion

## Instructions:

1. This exhibit will be executed at the project level for each NSIP major construction project that is eligible for recoupment (reimbursement by other member countries for eligible costs). No project level detail is required for minor construction, planning and design, family housing improvement or BRAC.
2. Data should be submitted in hard copy and on a disk in a Microsoft Excel format.
3. Component should be the specific Service Active, Guard or Reserve Force component or Defense Agency. Recognized abbreviations such as ARNG (Army National Guard), etc. are acceptable.
4. Appropriation should be a four digit number (treasury code).
5. Fiscal year should be a four-digit number.
6. Location is the two digit state or country code.
7. Installation is the military base where the project is being built.
8. Slice/Serial, if known, or pre-financing notification reference number.
9. Recoupment budget estimate amount is in thousands.
10. The estimated budget recoupment should reflect the rate of conversion at the time of estimate.
11. For the hard copy, the data should be sorted by fiscal year, location and then by installation. The hard copy and should also include a total for each fiscal year.

Date  
Point of Contact: Name, Organization, and Phone number  
**Exhibit NSIP-2 NSIP Recoupment Estimates**

UH-1a Inventory and Condition of Permanent Party, Government Owned, Unaccompanied Housing (UH) United States (CONUS plus Hawaii and Alaska)

Department of _____ <b>UH-1a Inventory and Condition of Permanent Party, Government-Owned, Unaccompanied Housing (UH)</b> <b>UNITED STATES (CONUS plus Hawaii and Alaska)</b> (Number of bedrooms in inventory)								
Facility Analysis Categories (FAC): 7210 & 7240	Number of Bedrooms - U.S.							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>Funding that Impacts Inventory:</b>								
MILCON - New Footprint (\$M)								
MILCON - Replacement/Renovation (\$M)								
Overall Sustainment vs FSRM Requirement (%)								
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>FY 2012 Performance Goal - % of Adequate Units</b>		30%	40%	50%	60%	70%	80%	90%
*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).								
FAC 7210 - Enlisted Unaccompanied Personnel Housing FAC 7240 - Officer Unaccompanied Personnel Housing								
Include narrative describing the Military Department/Service's strategy to meet the 90% Q1/Q2 adequacy goal by the end of FY 2017.								

## UH-1a Inventory and Condition of Permanent Party, Government-Owned, UH Foreign

Department of _____ UH-1a Inventory and Condition of Permanent Party, Government-Owned, Unaccompanied Housing (UH) FOREIGN (includes U.S. Territories) (Number of bedrooms in inventory)								
Facility Analysis Categories (FAC): 7210 & 7240	Number of Bedrooms - Foreign							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>Funding that Impacts Inventory:</b>								
MILCON - New Footprint (\$M)								
MILCON - Replacement/Renovation (\$M)								
Overall Sustainment vs FSRM Requirement (%)								
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>FY 2012 Performance Goal - % of Adequate Units</b>		30%	40%	50%	60%	70%	80%	90%
*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV). FAC 7210 - Enlisted Unaccompanied Personnel Housing FAC 7240 - Officer Unaccompanied Personnel Housing Include narrative describing the Military Department/Service's strategy to meet the 90% Q1/Q2 adequacy goal by the end of FY 2017.								

## UH-1a Inventory and Condition of Permanent Party, Government-Owned, UH Worldwide

Department of _____ <b>UH-1a Inventory and Condition of Permanent Party, Government-Owned, Unaccompanied Housing (UH)</b> <b>WORLDWIDE</b> (Number of bedrooms in inventory)								
Facility Analysis Categories (FAC): 7210 & 7240	Number of Bedrooms - Worldwide							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>Funding that Impacts Inventory:</b>								
MILCON - New Footprint (\$M)								
MILCON - Replacement/Renovation (\$M)								
Overall Sustainment vs FSRM Requirement (%)								
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>FY 2012 Performance Goal - % of Adequate Units</b>		30%	40%	50%	60%	70%	80%	90%
*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).								
FAC 7210 - Enlisted Unaccompanied Personnel Housing FAC 7240 - Officer Unaccompanied Personnel Housing								

UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, UH CONUS plus Hawaii and Alaska

Department of _____								
UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, Unaccompanied Housing (UH)								
UNITED STATES (CONUS plus Hawaii and Alaska)								
(Number of beds/spaces in inventory based on normal occupancy)								
Facility Analysis Categories (FAC): 7213, 7214, and 7218	Number of Beds/Spaces - U.S.							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>Funding that Impacts Inventory:</b>								
MILCON - New Footprint (\$M)								
MILCON - Replacement/Renovation (\$M)								
Overall Sustainment vs FSM Requirement (%)								
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%	%
<p>*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).</p> <p>FAC 7213 - Student Unaccompanied Housing</p> <p>FAC 7214 - Annual Training/Mobilization Unaccompanied Housing</p> <p>FAC 7218 - Recruit/Trainee Unaccompanied Housing</p> <p><b>Include narrative describing the Military Department/Service's strategy to improve Training/Mobilization UH, and to meet space requirements.</b></p>								

## UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, UH Foreign

Department of _____								
UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, Unaccompanied Housing (UH)								
FOREIGN (includes U.S. Territories)								
(Number of beds/spaces in inventory based on normal occupancy)								
Facility Analysis Categories (FAC): 7213, 7214, and 7218	Number of Beds/Spaces - Foreign							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>Funding that Impacts Inventory:</b>								
MILCON - New Footprint (\$M)								
MILCON - Replacement/Renovation (\$M)								
Overall Sustainment vs FSM Requirement (%)								
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%	%
<p>*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).</p> <p>FAC 7213 - Student Unaccompanied Housing            FAC 7214 - Annual Training/Mobilization Unaccompanied Housing            FAC 7218 - Recruit/Trainee Unaccompanied Housing</p> <p><b>Include narrative describing the Military Department/Service's strategy to improve Training/Mobilization UH, and to meet space requirements.</b></p>								

## UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, UH Worldwide

Department of _____								
UH-1b Inventory and Condition of Training/Mobilization, Government-Owned, Unaccompanied Housing (UH)								
WORLDWIDE								
(Number of beds/spaces in inventory based on normal occupancy)								
Facility Analysis Categories (FAC): 7213, 7214, and 7218	Number of Beds/Spaces - Worldwide							
	PY	CY	BY	BY + 1	BY + 2	BY + 3	BY + 4	BY + 5
<b>Beginning of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>Beginning of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>Beginning of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - Beginning of FY Inventory</b>	%	%	%	%	%	%	%	%
<b>Funding that Impacts Inventory:</b>								
MILCON - New Footprint (\$M)								
MILCON - Replacement/Renovation (\$M)								
Overall Sustainment vs FSM Requirement (%)								
<b>End of FY Adequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q1 - 90% to 100% *								
Q2 - 80% to 89% *								
<b>End of FY Inadequate Inventory Total</b>	-	-	-	-	-	-	-	-
Q3 - 60% to 79% *								
Q4 - 59% and below *								
<b>End of FY Total Inventory</b>	-	-	-	-	-	-	-	-
<b>Percent Adequate - End of FY Inventory</b>	%	%	%	%	%	%	%	%
*Condition Index (CI) is a general measure of the constructed asset's condition at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of the estimated cost of maintenance and repair requirements to Plant Replacement Value (PRV).								
FAC 7213 - Student Unaccompanied Housing								
FAC 7214 - Annual Training/Mobilization Unaccompanied Housing								
FAC 7218 - Recruit/Trainee Unaccompanied Housing								

## UH-2 Configuration and Privacy of Permanent Party UH

Department of _____									
UH-2 Configuration and Privacy of Permanent Party Unaccompanied Housing (UH)									
	Beginning of FY 2010			Beginning of FY 2011			Beginning of FY 2012		
	U.S. (CONUS, HI and AK)	Foreign (Includes U.S. Territories)	Worldwide Totals	U.S. (CONUS, HI and AK)	Foreign (Includes U.S. Territories)	Worldwide Totals	U.S. (CONUS, HI and AK)	Foreign (Includes U.S. Territories)	Worldwide Totals
<b>UNIT CONFIGURATION (Bedrooms)</b>									
<b>Government Owned Total</b>									
Market-Style <sup>1</sup>									
Two bedrooms (each <180 SF), one bath <sup>2</sup>									
Two bedrooms (each ≥180 SF), one bath <sup>3</sup>									
One bedroom, one bath <sup>4</sup>									
Central Latrine									
Relocatable & Temporary									
Other Junior Enlisted									
Senior Enlisted/Officers									
<b>Privatized Total</b>									
New one-bedroom apartments									
New two-bedroom apartments									
Conveyed									
<b>Leased Total</b>									
Relocatables									
Other									
<b>Host Nation Owned Total</b>									
<b>CONFIGURATION GOAL.</b> Narrative description of the Services' specific configuration standards and goals, and implementation plan (including timelines).									
<b>PRIVACY (Number of Personnel)</b>									
Sharing a bedroom with 90 SF or more per occupant									
Sharing a bedroom with less than 90 SF per occupant									
E1-E4s residing aboard a ship while in homeport									
<b>PRIVACY GOAL.</b> Narrative description of the Services' specific privacy standards and goals, and implementation plan (including timelines).									
NOTES:									
1 - Module with 2 to 4 bedrooms, 2 to 4 baths, full kitchen, living room, laundry									
2 - Each module counts as 2 bedrooms even if one bedroom used as a living room (e.g., 1+1)									
3 - Each module counts as 2 bedrooms even if occupied by 4 service members (e.g., 2+2)									
4 - Each module counts as 1 bedroom even if occupied by 2 service members (e.g., 2+0)									



### UH-3 Summary of Military Construction UH Projects

DEPARTMENT of _____										
UH-3 Summary of Military Construction (MilCon) Unaccompanied Housing (UH) Projects *										
Fiscal Year	State/Country	Project Location	Project Title	Project Number	Total Project Amount (\$000)	Project Amount for Just UH (\$000)	Perm Party UH Number of Bedrooms	Train or Mob UH Number of Beds/Spaces	Total Intended Number of Occupants	Strategic Objective
<u>FY 2012</u>										
<u>FY 2011</u>										
<u>FY 2010</u>										

NOTE:

\* Should match information on the DD Form 1391 - Military Construction Project Detail

\*\* For projects added by Congress, provide DD Form 1391 to OSD Comptroller (hard copy and pdf)

**VOLUME 2B, CHAPTER 7: “BASE REALIGNMENT AND CLOSURE  
APPROPRIATIONS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated September 2008 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
070201	Updated for BRAC 2005 implementation procedures	Update
070303	Added requirement for BRAC 2005 BC-04 exhibit submission. Deleted language concerning incrementally-funded projects. Deleted DD 1391 requirement.	Update Addition
070403	Added requirement for Overall summary and package specific BC-04 exhibits.	Addition
070602	Added exhibit BC-04 for BRAC 2005.	Addition

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**CHAPTER 7****BASE REALIGNMENT AND CLOSURE APPROPRIATIONS**

## 0701 GENERAL

070101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Base Realignment and Closure (BRAC) appropriations.

B. The following appropriations and accounts are covered:

Section

## 070201.

- DoD Base Closure Account  
(1988 Commission)

- DoD Base Closure Account 1990  
(1991, 1993 & 1995 Commissions)

- DoD Base Closure Account 2005  
(2005 Commission)

## 070102. Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 7 covers specific back-up material requirements for the above accounts. Components should also submit any applicable exhibits required in Volume 2, Chapter 19 for the above appropriations/accounts, as applicable.

## 070103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 7 volume provides additional specific guidance with regard to the back-up material required for the Base Realignment and Closure appropriations.

## 070104. References

Chapter 3 provides guidance related to Operation and Maintenance costs and Chapter 6 of provides guidance and formats related to Military Construction and Family Housing costs.

## 0702 UNIFORM BUDGET AND FISCAL ACCOUNTING CLASSIFICATION

## 070201. Base Closure Account, Defense Appropriations

## A. Overview

Defense Authorization Amendments and Base Closure and Realignment Act, Public Law 100-526, established the Defense Base Closure Account (Part I) as a mechanism to provide the required funding to implement the approved recommendations of the Base Closure and Realignment Commissions. Public Law 101-510, Title XXIX, Defense Base Closure and Realignment Act of 1990, established Base Closure Account 1990 (Part II), and the FY 2002 National Defense Authorization Act established the DoD Base Closure Account 2005 (BRAC 2005). From aspects of management, budgeting and accounting, these Accounts are treated in the same fashion. Funding approved by Congress in these Accounts is appropriated and authorized in a lump sum amount and may be spent for construction, planning and design, civilian severance pay, civilian permanent change in station, transportation of things, and other costs related to the realignment or closure of the subject bases. The management structure of the program is described below.

B. Guidance

1. The Deputy Under Secretary of Defense (Installations & Environment) is responsible for issuing policy for management of the BRAC program and overseeing the DoD Components' execution of the program.

2. To properly account for and manage appropriated fund resources, the DoD Base Closure Accounts were established on the books of the Treasury to aid the DoD Components in the closure and realignment of certain military installations. Treasury has assigned account symbol 97-0103 to identify the DoD Base Closure Account - Part I, 97-0510 to identify DoD Base Closure Account 1990 - Part II, Part III, and Part IV and 97 0512 to identify DoD Base Closure Account 2005.

3. Funds made available to the DoD Components are subdivided and distributed to the activities responsible for base closure actions. Separate allocations are made for each of the accounts by program year. Each DoD Component distributes the base closure funds in accordance with its normal fund distribution procedures. The applicable reporting requirements include:

- Military Construction
- Construction
- Planning and Design
- Family Housing
- Construction
- Operations
- Environmental
- Operation and Maintenance
- Civilian Severance Pay

Civilian Permanent Change of Station (PCS) costs  
Transportation of things  
Facilities Maintenance  
Program Management (civilian work years, TDY travel, and related support dedicated to implementation efforts)  
Military Personnel (limited to PCS expenses dedicated to implementation efforts)  
Other (including procurement-type items)

4. The Under Secretary of Defense (Comptroller) makes funds available to the DoD Components based on their official financial plans. Financial plans are prepared by the DoD Components in cooperation with and at the direction of the program manager, the Deputy Under Secretary of Defense (Installations & Environment). The DoD Components' financial plans and the subsequent allocation of funds are supported by detailed, line-item military and family housing construction justification. Separate narrative explanations for other planned expenditures are also submitted to the Under Secretary of Defense (Comptroller) in sufficient detail to support the DoD Component's financial plan. Each DoD Component is allocated funds based upon its official budget justification and financial plan.

5. All closures and realignments must be completed no later than the end of the six year implementation period beginning on the date on which the President transmitted to Congress the report containing the recommendations of such closures or realignments. The President transmitted the recommendations of the 1995 Commission on July 13, 1995. After July 13, 2001, funds in the DoD Base Closure Account 1990 shall be available only to incur new obligations for environmental restoration, property management and disposal, and other caretaker costs at closed or realigned installations and for the purpose of recording, adjusting and liquidating obligations property chargeable to the account under Title 31, United States Code, section 1553. The 2005 BRAC Commission recommendations became law on November 9, 2005 and the six-year implementation period for BRAC 2005 approved recommendations ends on September 15, 2011. [After September 15, 2011, funds in the DoD Base Closure Account 2005 shall be available only to incur new obligations for environmental restoration, property management and disposal, and other caretaker costs at closed or realigned installations and for the purpose of recording, adjusting and liquidating obligations property chargeable to the account under Title 31, United States Code, section 1553.](#)

#### C. Fiscal Accounting Classification

The account classification structure for the Base Closure Account, Defense is prescribed in Volume 12, Chapter 13 of this regulation. Treasury Code 97 0512 has been established as a single account on the books of the Treasury to execute actions to implement BRAC 2005 closures and realignments.

## 0703 PROGRAM AND BUDGET REVIEW SUBMISSION

## 070301. Purpose

A. This Section prescribes instructions for the preparation and submission of budget estimates for the Base Realignment and Closure appropriations.

B. Unless otherwise specified, these instructions apply to all Base Realignment and Closure appropriations and to all budget estimates. Data submitted must be consistent with the budget estimate being supported.

C. Examples of budget exhibits can be found in Sections 0705 for [Prior-Round](#) BRACs and 0706 for BRAC 2005.

070302. Submission Requirements – [Prior-Round](#) BRACs

A. General Guidance. Each Service and Defense Agency, as applicable, will prepare a [Prior-Round](#) Base Closure justification book. The justification book will include a summary BC-02 exhibit showing cost and savings data for each prior round (BRAC Parts I, II, III and IV) covering the six-year implementation period for that respective closure round. The Services will also prepare a continuing environmental restoration and caretaker cost exhibit (BC-04) for funds requested beyond FY 2001 for Base Closure Parts I, II, III, and IV. The justification book will include BC-01, BC-02, BC-03 and BC-04 exhibits. Environmental Exhibits, BRAC ENV-30 will be submitted separately and not included in the bound justification book. These exhibits will be included in the Component's Environmental Summary justification material as mentioned in Chapter 13. For Base Closure Account-Part I, the summary BC-02 will include cost and savings data for FY 1990 through FY 1995. For Base Closure Account-Part II, the summary BC-02 will include cost and savings data for FY 1992 through FY 1997. For Base Closure Account-Part III, the summary BC-02 will include cost and savings data for FY 1994 through FY 1999. Section 070502 contains sample exhibits BC 01 through BC 04 and ENV-30 for use in preparing justification material for BRAC Parts I, II, III, and IV. Included in the sample exhibits are instructions pertaining to the substance and format of the information to be displayed. Submission requirements for BRAC 2005 are included in section 070303 below.

B. Base Realignment and Closure Service Overview Exhibit (BC-01). Each Service will prepare an overview exhibit (BC-01), as described in section 070502, for the Base Closure-Part IV account summarizing by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in that fiscal year. The BC-01 should separately identify the amount of funds expended for environmental restoration and caretaker functions at installation closed under prior rounds of base closure. The overview will also address mission impact and environmental considerations affecting closures and realignments.

C. Base Realignment and Closure Cost and Saving Exhibit (BC-02). Each Service will prepare a summary BC-02 Exhibit, as described in section 070502, showing costs and savings data for each round of closure, and a cost and saving exhibit (BC-02), as described in section 070502. Continuing environmental restoration and caretaker costs incurred after



FY 2001 will be separately displayed on the BC-04 exhibit as described below. BRAC saving estimates reported in Exhibit BC-02 must be based on the best projection of what savings will actually accrue from approved realignments and closures. Prior year estimated savings must be updated to reflect actual savings when available.

D. Base Realignment and Closure Package Description Exhibit (BC-03). Each Service will prepare a short narrative exhibit (BC-03), as described in section 070502, for each package describing the actions necessary to complete the realignment or closure at that location. The narrative will also address one-time implementation costs and anticipated savings that will accrue from the partial or complete closure of the base.

E. Continuing BRAC Environmental Restoration and Caretaker Cost Exhibit (BC-04). Each Service will prepare a continuing environmental and caretaker cost exhibit, as described in Section 0705, for each closure package for which funds have been requested beyond FY 2001 for BRAC IV and the prior rounds of closures and realignments. Each Service/Agency will also prepare a BC-04 summarizing the packages for which funds have been requested beyond FY 2001.

F. Base Realignment and Closure Environmental Exhibits. Each service will prepare environmental progress and funding by priority exhibits BRAC ENV-30 as provided in section 070502 below. These BRAC environmental exhibits include requirements by relative risk category and each phase of environmental restoration, as well as requirements for environmental compliance and planning. These exhibits will be prepared for the President's Budget and included in the Component's justification material for Environmental Restoration as provided in Chapter 13. The totals for these exhibits will match the totals submitted in the BC-01. A diskette with installation level detail for environmental restoration activities at BRAC installations, similar to that identified for submission in Chapter 13 for environmental restoration activities at active installations, should be forwarded together with hard copy versions to OUSD (Comptroller), Military Personnel and Construction Directorate (Room 3C962). Questions concerning the data file structure should be addressed to OUSD(AT&L), Deputy Under Secretary of Defense (Installation and Environment), Director for Environmental Management (703) 571-9073).

G. Budget Submission. Coincident with the hard copy submission of the Base Closure budget estimates, Military Departments and Defense Agencies, as applicable, will submit budgetary data via the Automated Construction Program Database as described in Volume 2, Chapter 1, Section 010504.

070303. Submission Requirements – BRAC 2005

A. General Guidance. Each Service and Defense-Wide Agency/Activity, as applicable, will prepare Bases Closure-2005 justification material. The justification material will include BC-01, BC-02, BC-03, BC-04 and BC-05 exhibits, as applicable. BC-02, BC-03 and BC-04 (where applicable) exhibits must be included for each closure package. Additionally, DoD Components must submit a summary BC-02 exhibit showing cost and savings data for FY 2006 through FY 2011 (the six-year implementation period for BRAC 2005) and a summary BC-

04 for FY 2012 and the budget year. Section 070602 contains sample BC 01 through BC 04 exhibits for use in preparing the justification material for BRAC 2005.

B. Each Military Service will submit bounded BRAC 2005 justification books to OUSD(C). The Defense Agencies and Defense-Wide Activities will submit unbounded justification material to OUSD(C). The OUSD(C) will consolidate the Defense Agencies and Defense-Wide Activities material into a bounded Defense-Wide Agencies and Activities BRAC 2005 justification book for submission to Congress. The Defense Agencies and Defense-Wide Activities are not to submit separate BRAC 2005 justification material to the Congress.

C. Base Realignment and Closure Service Overview Exhibit (BC-01). Each Service, Defense Agency and Defense-Wide Activity will prepare an overview exhibit (BC-01), as described in section 070602 for Base Closure-2005 summarizing by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in each fiscal year. The overview will also address mission impact and environmental considerations affecting closures and realignments.

D. Base Realignment and Closure Cost and Saving Exhibit (BC-02). Each Service, Defense Agency and Defense-Wide Activity will prepare a cost and saving exhibit (BC-02), as described in section 070602, for each base closure package included in Base Closure-2005 account and a BC-02 exhibit summarizing the packages contained in that round of closures. The Base Closure 2005 BC-02 exhibit will show cost and savings from FY 2006 through FY 2011. BRAC saving estimates reported in Exhibit BC-02 must be based on the best projection of what savings will actually accrue from approved realignments and closures. Prior year estimated savings shall be updated to reflect actual savings when available.

E. Base Realignment and Closure Package Description Exhibit (BC-03). Each Service, Defense Agency and Defense-Wide Activity will prepare a short narrative exhibit (BC-03), as described in section 070602, for each package describing the actions necessary to complete the realignment or closure at that location. The narrative will also address one-time implementation costs and anticipated savings that will accrue from the partial or complete closure of the base.

F. Continuing BRAC Environmental Restoration and Caretaker Cost Exhibit (BC-04). Each Service will prepare a continuing environmental and caretaker cost exhibit, as described in Section 0705, for each closure package for which funds have been requested for FY 2012 and beyond for BRAC 2005. Each Service/Agency will also prepare a BC-04 summarizing the packages for which funds have been requested for FY 2012 and beyond.

G. BRAC Construction Projects Exhibit (BC-05)

1. Each Service, Defense Agency and Defense-Wide Activity will prepare a construction project listing exhibit BC-05, as described in section 070602, showing the Location/State, Project Description/Title, dollar request in thousands and award date for BRAC construction projects and planning and design included in the budget request. Immediately following Exhibit BC-05, Each Service and Defense-Wide Agency/Activity shall provide

DD 1391 exhibits for each construction project included in the budget request. A lump sum 1391 for planning and design and minor construction projects shall also be included.

2. For construction projects that are funded by multiple components or by a single component on another component's installation, the initial budget justification material submitted to OSD will include a fully documented DD Form 1391 reflecting the total cost of the project showing the proportional costs by Component. The narrative of the DD Form 1391 will also include the proportional cost share by Component. For projects that include the receiving site Component as a user, the receiving site Component (which is normally the Business Manager) will indicate itself in Block 1 "Component" of the DD 1391. For projects that do not include the receiving site Component as a user, the user with the highest proportional cost share will be responsible for compiling project documentation and will include itself in Block 1 of the DD 1391. For single Component use facilities projects, the DD Form 1391 Block 1 will indicate the single Component user who will program and budget for the full cost of the project.

**H. Base Realignment and Closure Environmental Exhibits.** Each service, Defense Agency and Defense-Wide Activity will prepare environmental progress and funding by priority exhibits BRAC ENV-30 as provided in section 070602 below. These BRAC environmental exhibits include requirements by relative risk category and each phase of environmental restoration, as well as requirements for environmental compliance and planning. These exhibits will be prepared for the President's Budget and included in the Components justification material for Environmental Restoration as provided in Chapter 13. The totals for these exhibits will match the Environmental total identified on the Component's summary BC-01. A diskette with installation level detail for environmental restoration activities at BRAC installations, similar to that identified for submission in Chapter 13 for environmental restoration activities at active installations, should be forwarded together with hard copy versions to OUSD (Comptroller), Military Personnel and Construction Directorate (Room 3C962). Questions concerning the data file structure should be addressed to OUSD(AT&L), Deputy Under Secretary of Defense (Installation and Environment), Director for Environmental Management ((703) 571-9073).

**I. BRAC 2005 Data Input to Program Resources Collection Process Systems.** Each Service, Defense Agency and Defense-Wide Activity will submit BRAC 2005 data to the Program Resources Collection Process (PRCP) System to populate the Existing Footprint field of that data collection system. A new code, E, has been added for use in populating the existing footprint field. The E code will be used to identify BRAC Environmental funding. The requirement to populate the Existing Footprint field for traditional military construction remains in effect. The other three codes authorized for populating the existing footprint field are listed and explained as follows:

1. Y-Yes. The funding restores and modernizes an existing facility, or constructs a new facility to replace one or more facilities of approximately the same constructed value. This normally applies only to facilities that are primarily capitalized with military construction funds and excludes family housing and procurement funded facilities. Demolition banking is not to be used for BRAC.

2. N-New Footprint. The value of construction that does not meet the definition “Y”.

3. O-Other. This funding provides for land acquisition and other actions not covered by codes, Y, N, or E.

4. The Services and Defense Agencies/Activities shall enter the required PRCP data at the BRAC recommendation level.

J. Each Component will also submit a Major Initiatives exhibit which must include a general description of each of its major initiatives for the budget year and what the Component plans to accomplish in the budget year to support that initiative. Be specific, including the impact on force structure. This exhibit will be prepared in accordance with the format contained in Volume 2B, Chapter 6, Section 060502.

K. Budget Submission. Coincident with the hard copy submission of the Base Closure budget estimates, Military Departments and Defense Agencies/Activities, as applicable, will submit budgetary data via the Automated Construction Program Database as described in Volume 2, Chapter 1, Section 010504.

#### 0704 CONGRESSIONAL JUSTIFICATION/PRESENTATION FOR BRAC PART IV and PRIOR ROUNDS

##### 070401. Purpose

This Section presents the justification book organization and the exhibit requirements for submission to Congress for [Prior-Round](#) BRACs. Examples of budget exhibits can be found in Section 0705, below and reflect those addressed in Section 0703, above.

##### 070402. Organization Of Justification Books for [Prior-Round](#) BRACs (Incorporating Prior Rounds of Brac, Parts I, II, III AND IV)

A. Justification material consolidated into a single volume entitled:

DoD Base Realignment and Closure, [Prior-Rounds](#)

B. The justification book will be organized as shown [below](#).

##### 070403. Organization of Justification Books for BRAC 2005

A. Each Military Department will submit their justification material into a consolidated single volume book entitled:

DoD Base Realignment and Closure 2005 Commission

B. The Military Departments will organize their justification book as shown below.

C. Defense Agencies and Defense-Wide Activities will submit their justification material in unbounded separate sheets using the formats shown on pages above. OUSD Comptroller will consolidate the Defense Agencies and Defense-Wide Activities material into a bounded Defense Agencies and Defense-Wide Activities Justification Book for submission to Congress. The Defense Agencies and Defense-Wide Activities are not to submit separate BRAC 2005 budget justification material to Congress.

## ORGANIZATION/EXHIBIT REQUIREMENTS FOR PRIOR ROUND BRACS

### Organization

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Financial Summary Continuing BRAC Environmental Restoration and  
Caretaker Costs Exhibit BC-04

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## ORGANIZATION/EXHIBIT REQUIREMENTS For BRAC 2005 COMMISSION

Organization

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     By Package  
 Base Realignment and Closure Construction Project Listing Exhibit BC-05  
     By Component, State, Project Description, Project Number,  
     and Dollar Amount

0705 BASE REALIGNMENT AND CLOSURE APPROPRIATION SUBMISSION  
FORMATS for [PRIOR-ROUND](#) BRAC

## 070501. Purpose

The formats provided on pages 7-14 through 7-22 reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to for [Prior-Round](#) BRACs budget submissions.

070502. Exhibits in Support of [Prior-Round](#) BRACs

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Exhibit BC-01 BRAC Service Overview

INSTRUCTIONS FOR PREPARATION OF EXHIBIT BC-01  
"FY \_\_\_\_ BASE REALIGNMENT AND CLOSURE DATA"  
19\_\_ COMMISSION

Service Overview

Schedule: Summarize by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account will be expended in the fiscal year. Discuss possible problems in meeting the schedule. Highlight realignment/closure actions where the estimated implementation costs and impacts significantly differ from those determined by the Commission.

Mission Impact: Describe possible mission impact in completing the realignment/closure.

Environmental Considerations: Describe potential problems in closing an installation due to the complexity in cleaning up environmental wastes and hazards.

Address any other items/issues appropriate for the overview section.

EXHIBIT BC-01 BRAC Service Overview  
(Page 1 of 1)

Exhibit BC-02 BRAC Implementation Costs

BASE REALIGNMENT AND CLOSURE ACCOUNT - 19\_\_ COMMISSION - 1/  
2/  
(DOLLARS IN 3/)

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>
<u>ONE-TIME IMPLEMENTATION COSTS:</u>				
Military Construction				
Family Housing - Construction				
Operations				
Environmental				
Operation and Maintenance				
Military Personnel - PCS				
Other				
Homeowners Assistant Program				
TOTAL ONE-TIME COSTS				
Revenues From Land Sales(-)				
Budget Authority Request				
<u>FUNDED OUTSIDE OF THE ACCOUNT:</u>				
Military Construction				
Family Housing - Operations				
Operation and Maintenance				
Other				
Homeowners Assistant Program				
TOTAL OUTSIDE THE ACCOUNT				
<u>SAVINGS:</u>				
Military Construction				
Family Housing - Construction				
Operations				
Operation and Maintenance				
Military Personnel				
Other				
Homeowners Assistance Program				
Civilian ES				
Military ES				
TOTAL SAVINGS				
<u>NET IMPLEMENTATION COSTS:</u>				
Military Construction				
Family Housing - Construction				
Operations				
Environmental				
Operation and Maintenance				
Military Personnel				
Other				
Homeowners Assistance Program				
Revenues From Land Sales				
NET IMPLEMENTATION COSTS				
Less Estimated Land Revenues:				

EXHIBIT BC-02 BRAC Implementation Costs  
(Page 1 of 2)



Exhibit BC-02 BRAC Implementation Costs (Continued)

BASE REALIGNMENT AND CLOSURE ACCOUNT - 19__ Commission _1/ 2/ (DOLLARS IN 3/)			
	<u>FY 1994</u>	<u>FY 1995</u>	<u>Total</u> <u>FY 1990-1995</u>
ONE-TIME IMPLEMENTATION COSTS:			
Military Construction			
Family Housing - Construction			
Operations			
Environmental			
Operation and Maintenance			
Military Personnel - PCS			
Homeowners Assistant Program			
Other			
TOTAL ONE-TIME COSTS			
Revenues From Land Sales(-)			
Budget Authority Request			
FUNDED OUTSIDE OF THE ACCOUNT:			
Military Construction			
Family Housing - Operations			
Operation and Maintenance			
Homeowners Assistance Program			
Other			
TOTAL OUTSIDE THE ACCOUNT			
SAVINGS:			
Military Construction			
Family Housing - Construction			
Operations			
Operation and Maintenance			
Military Personnel			
Other			
Civilian End Strength			
Military End Strength			
TOTAL SAVINGS			
NET IMPLEMENTATION COSTS:			
Military Construction			
Family Housing - Construction			
Operations			
Environmental			
Operation and Maintenance			
Military Personnel			
Other			
Homeowners Assistance Program			
Revenues From Land Sales			
NET IMPLEMENTATION COSTS			
Less Estimated Land Revenues:			

1/ 1988 Commission, 1991 Commission, 1993 Commission, etc.

2/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.

3/ Dollars in thousands.

EXHIBIT BC-02 BRAC Implementation Costs  
(Page 2 of 2)

Exhibit BC-03 BRAC Package Description

BASE REALIGNMENT AND CLOSURE  
19\_\_ COMMISSION  
PACKAGE DESCRIPTION

Service/Location/Package: Cross-reference to standard terminology employed in the Commission's report.

Closure/Realignment Package: Brief description of the actions necessary to complete the realignment or closure at this location. A package is defined as all actions, costs and savings associated with the closing or realignment of a base or installation as recommended by the Commissions. Include how the physical plant will be affected and the missions that must be terminated or transferred to other locations. Reflect planning and design and management overhead costs in a separate package covering, overall one-time implementation cost. All military construction savings should also be addressed in this same package.

One-time Implementation Costs:

Military Construction: New facilities that must be constructed to accommodate a realignment or closure action. List the construction projects associated with the package as follows:

<u>Location/Project Title</u>	<u>Fiscal Year of Award</u>	<u>Amount (\$ in 000)</u>
-------------------------------	---------------------------------	-------------------------------

Subtotal for Each Fiscal Year

Conjunctively-Funded Construction: Identify each project that is funded conjunctively, the total cost of each project and the amounts funded by non-Base Closure Account sources. These projects will also appear on the above list, which will reflect only that portion of the project to be funded by the Base Closure Account.

Family Housing Construction: Specify the number of units and location. As with military construction, list each family housing construction project.

Family Housing Operations: The one-time family housing operations costs associated with package implementation.

Operation and Maintenance: Includes PCS of civilian personnel, civilian severance costs, transportation of things, RPM and other one-time implementation costs as a result of closure or realignment. Program management costs should also be addressed, but only in the separate package covering overall one-time implementation costs.

EXHIBIT BC-03 BRAC Package Description  
(Page 1 of 2)

Exhibit BC-03 BRAC Package Description (Continued)

Procurement Items: Items normally funded from procurement appropriations.

Revenues From Land Sales: Provide statistics and narrative to adequately describe the land being proposed for sale. Describe the method and date of appraisal.

Environmental: Indicate the environmental restoration actions that will occur at both the losing and gaining locations, the funding requirements and status of all such restoration actions.

Savings: Demonstrated savings that will accrue from the partial or complete closure of the base.

Military Construction: To be addressed in the single package addressing overall/program management costs.

Family Housing Construction: Self-explanatory.

Family Housing Operations: Savings (offset by increased recurring costs).

Operation and Maintenance: One-time and recurring savings (offset by increased recurring costs) in civilian personnel, base operations, RPMA and other costs as a result of closure or realignment. Be specific as to the category,

Military Personnel: One-time and recurring savings (offset by increased recurring costs) in military personnel as a result of closure or realignment. Be specific as to the category.

Other: Self-explanatory.

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs

BASE REALIGNMENT AND CLOSURE ACCOUNT  
Continuing Environmental restoration and Caretaker Cost

1/  
(DOLLARS IN 2/)

	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>Total</u>
3/						

CONTINUING ENVIRONMENTAL AND  
CARETAKER COSTS:

Environmental  
Operation and Maintenance  
Homeowners Assistant Program  
TOTAL COSTS  
Revenues From Land Sales(-)  
Budget Authority Request

1/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.

2/ Dollars in thousands

3/ Reflect the Budget Year and four prior fiscal years.

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean

Class	Component	FUDS	FundSource	CleanUp Action	RiskMSRPP Level	RiskMSRPP Type	SiteFunding Requirements	FY PY Actual	FY CY Estimate
-------	-----------	------	------------	-------------------	--------------------	-------------------	-----------------------------	-----------------	-------------------

**A.**

FY BY 1	FY BY 2	FY BY +1	FY BY 2 +2	FY BY 2 +3	FY BY 2 +4	BalanceToComplete
---------	---------	-------------	---------------	---------------	---------------	-------------------

**B. Instructions**

- 1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 2 captures Project Management activity breakouts for IRP, Munitions Response, BD/DR, BRAC Compliance, and BRAC Planning. Legacy BRAC includes BRAC rounds I-IV, and there is a separate format required for BRAC 2005.
- 2) For all Fund Sources, all Clean-Up Programs provide number of sites and funding by Clean-Up and Analysis in all years identified and Balance to Complete. See Relationship Matrix below. For BRAC Planning and BRAC Compliance, provide number of facilities in lieu of sites.
- 3) Only the Army reports FUDS.
- 4) For Clean-up Action—for Assessments, Analysis/Investigation, Interim Actions, Remedial Designs, and Remedial Action Construction provide the funding detail by Relative-Risk or MRSP Level and Type.
- 5) If there is no analysis associated with an action, report funding only.
- 6) Components shall program adequate resources in each year of the FYDP to achieve the programs goals for all restoration activities.
- 7) Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review submission.
- 8) Components shall provide to the DUSD (I&E) no later than two weeks before their POM and budget submissions are due to OSD, the updated relative risk site evaluations, site status updates and cost to complete estimates for every site as required by DoD Instruction 4715.7.
- 9) The reporting entities directed to submit this data requirement refers to Military Departments (Active, Guard, Reserve)/Defense Agencies.

**C. Definitions****Class:** System Field: Classification**C:** CONFIDENTIAL**C/NF:** CONFIDENTIAL//NOFORN**F:** FOR OFFICIAL USE ONLY**S:** SECRET**S/NF:** SECRET//NOFORN**U:** UNCLASSIFIED**Component:** For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency. Army also reports for FUDS.**Active:****DADW:** Defense Area Defense Wide. Used by non-service defense agencies.**Guard:****Reserve:****FUDS:** Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a “Yes” or “No” value. All other Services/Agencies will enter “No” as the FUDS data value**No:****Yes:**

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean

(Page 1 of 3)

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

**FundSource:**

***BRAC-Building Demolition/Debris Removal:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense. Separate entries are required for Legacy BRAC and BRAC 2005.

***BRAC-COMPLIANCE:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.6. Separate entries are required for Legacy BRAC and BRAC 2005

***BRAC-IRP:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005

***BRAC-Munitions Response:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005

***BRAC-PLANNING:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.9. Separate entries are required for Legacy BRAC and BRAC 2005

***Environmental Restoration-Building Demolition/Debris Removal:*** Funded by Environmental Restoration appropriations. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense.

***Environmental Restoration-IRP:*** Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

***Environmental Restoration-Munitions Response:*** Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

***Land Sale Revenue:*** A one line entry for Legacy BRAC and BRAC 2005 to indicate how much land sale revenue will be applied to Environmental Requirements.

**CleanUpAction:**

***Analysis/Investigation:*** Analysis used to characterize the nature, extent, and risk of releases of hazardous substances into the environment and to develop and select a cleanup remedy.

***Assessments:*** A limited scope investigation designed to distinguish sites that pose little or no threat to human health and the environment from sites that require further investigation. The assessment typically is based on installation records searches, visual site inspections, and interviews with personnel.

***Interim Actions:*** An interim measure that can be implemented at any time in the restoration process and that is designed to abate contamination until the final remedial action can be implemented.

***Land Sale Revenue:*** Term used to identify funds recovered from the sale of real property used to offset restoration funding requirements.

***Long Term Management:*** Term used for environmental monitoring, review of site conditions, and/or maintenance of a remedial action to ensure continued protection as designed once a site achieves response complete.

***N/A:*** Not applicable; leave blank.

***No Further Action:*** No further action planned or funded.

***Potentially Responsible Party:*** (PRP)-As defined in the Comprehensive Environmental Response Compensation and Liability Act(CERCLA) Recovery-Pursuant to 10USC Section 2703(d)(1) and (2)

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

**Recovery:** Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

**Remedial Action Construction:** The restoration phases during which the final remedy is being put in place. The end date signifies that the construction is complete, all testing has been accomplished, and that the remedy will function properly.

**Remedial Action Operations:** Remedial Action Operations (RAO) - The period when a remedy is being operated but cleanup objectives have not yet been achieved.

**Remedial Designs:** Restoration phases during which construction parameters and equipment specifications for a selected cleanup technology are defined.

**RiskMSRPPLLevel:** Risk Level as defined in the DoD Relative Risk Site Evaluation Primer or Munitions Response Site Prioritization Protocol (MRSP) priority level.

**High Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Low Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Medium Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**MRSP 1:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 2:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 3:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 4:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 5:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 6:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 7:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 8:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP Evaluation Pending:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP No Known or Suspected Hazard:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP No Longer Required:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

N/A: N/A

N/A: Not applicable; leave blank.

**Not Evaluated Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**RiskMSRPPTType:**

N/A: Not applicable; leave blank.

**With Agreements:**

**With Reuse:** Action is necessary to support a future land use identified in an approved Reuse Plan.

**Without Agreements:**

**Without Reuse:** Future land reuse either has not been identified or the action is not necessary to support a future land use identified in an approved Reuse Plan.

**SiteFundingRequirements:**

**Analysis:** \$TOA (and includes PA/SI and RI/FS activities)

**Clean-up:** \$TOA (includes IRA, RD, and RA-C activities)

**Sites:** # of sites (projects for FUDS) at the beginning of the FY.

**BalanceToComplete:** Balance to Complete: Total Funding beyond required to complete the projected.

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean  
(page 3 of 3)

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up

## Business Rules

***Data Matrix: FundSource, CleanUpAction, RiskMSRPLevel, RiskMSRPType Relationship***

FundSource	CleanUpAction	RiskMSRPLevel	RiskMSRPType
Environmental Restoration-IRP	Analysis/Investigation	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Assessments	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Interim Actions	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Land Sale Revenue	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
	Long Term Management	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
	Potentially Responsible Party	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements



FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Recovery	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Construction	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Operations		N/A
			With Agreements
			Without Agreements
	Remedial Designs	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
Environmental Restoration-Munitions Response	Analysis/Investigation	MRSPP 1	N/A
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Assessments	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Interim Actions	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Long Term Management	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	No Further Action	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Potentially Responsible Party	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPP Evaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
	Recovery	MRSPPL 5	
		MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
	Remedial Action Construction	MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
	Remedial Action Operations	MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
	Remedial Designs	MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
Environmental Restoration-Building Demolition/Debris Removal	N/A	N/A	
Legacy BRAC-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPType
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
Legacy BRAC-Building Demolition/Debris Removal	N/A	N/A	N/A
Legacy BRAC-PLANNING			
Legacy BRAC-COMPLIANCE			
Legacy BRAC Land Sale revenue			
BRAC 2005-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
BRAC 2005-Building Demolition/Debris Removal	N/A	N/A	N/A
BRAC 2005-PLANNING			
BRAC 2005-COMPLIANCE			
Land Sale Revenue			

**Subject Matter Experts:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

## 0706 BASE REALIGNMENT AND CLOSURE SUBMISSION FORMATS For BRAC 2005 COMMISSION

## 070601. Purpose

The formats provided on pages 7-25 through 7-32 reflect guidance for preparation of exhibits pertaining to BRAC 2005 budget justification material. Unless modified in a submission budget call, these formats should be adhered to.

## \*070602. Exhibits in Support of BRAC 2005 - Budget Estimates Submission

BC-01 BRAC Service Overview .....	7-31
BC-02 BRAC Implementation Costs.....	7-32
BC-03 BRAC Package Description .....	7-34
BC-04 BRAC Continuing Environmental and Caretaker Costs .....	7-36
BC-05 BRAC Construction Projects by Location, Project Title, Author and Appro.	
Request .....	7-37
BRAC ENV-30 .....	7-38

Exhibit BC-01 BRAC Service Overview 2005 COMMISSION

INSTRUCTIONS FOR PREPARATION OF EXHIBIT BC-01  
"FY \_\_\_\_ BASE REALIGNMENT AND CLOSURE DATA  
2005 COMMISSION  
Service/Defense Agency/Defense-Wide Activity

Service Overview

Schedule: Summarize by fiscal year, the names and locations of the affected bases, and how much of the DoD Base Closure Account 2005 funding will be obligated/expended in the fiscal year. Discuss possible problems in meeting the schedule. Highlight realignment/closure actions where the estimated implementation costs and impacts significantly differ from those determined by the Commission.

Mission Impact: Describe possible mission impact in completing the realignment/closure.

Environmental Considerations: Describe potential problems in closing an installation due to the complexity in cleaning up environmental wastes and hazards.

Address any other items/issues appropriate for the overview section.



Exhibit BC-02 BRAC Implementation Costs 2005 COMMISSION

FY \_\_\_\_ Budget Estimates  
 BASE REALIGNMENT AND CLOSURE ACCOUNT - 2005 COMMISSION  
 Costs and Savings by Fiscal Year  
 (DOLLARS IN MILLIONS)

FY 2006 FY 2007 FY 2008 FY 2009 FY 2010 FY 2011 Total

One-Time Implementation Costs:

Military Construction - BRAC  
 Family Housing - Construction  
 Family Housing - Operations  
 Environmental  
 Operation and Maintenance  
 Military Personnel - PCS  
 Other  
 Homeowners Assistant Program  
 TOTAL ONE-TIME COSTS  
 Revenues From Land Sales(-)  
 Budget Authority Request

One-Time CostsFunded Outside Of The Account:

Military Construction  
 Family Housing - Operations  
 Operation and Maintenance  
 Other  
 Homeowners Assistant Program

Total Outside The Account

Grand Total One-Time Implementation Cost

Recurring Costs (memo non-add)

Operations & Maintenance

Military Personnel

Other

Total Recurring Costs (memo non-add)One-time savings:

Military Construction  
 Family Housing – Construction  
 Military PCS Cost Avoidance  
 Operation and Maintenance  
 Other

Total one-time savings

Exhibit BC-02 BRAC Implementation Costs 2005 COMMISSION (Continued)

Recurring Savings

Civilian Salary:

Military Entitlement:

Officer Salary

Enlisted Salary

Housing Allowance

Overhead:

Family Housing Operations

Sustainment

Recapitalization

BOS

Other

Procurement

Mission Activity

Miscellaneous

Total Recurring Savings

Grand Total Savings

Net Civilian Manpower Position Changes(+/-)

Net Military Manpower Position Changes (+/-)

Net Implementation Costs

Less Estimated Land Revenues:...

Exhibit BC-02 BRAC Implementation Costs

Exhibit BC-03 BRAC Package Description 2005 COMMISSION

FY \_\_\_\_ BASE REALIGNMENT AND CLOSURE DATA  
2005 COMMISSION  
PACKAGE DESCRIPTION

Service/Location/Package: Cross-reference to standard terminology employed in the Commission's report.

Closure/Realignment Package: Brief description of the actions necessary to complete the realignment or closure at this location. A package is defined as all actions, costs and savings associated with the closing or realignment of a base or installation as recommended by the Commissions. Include how the physical plant will be affected and the missions that must be terminated or transferred to other locations. Reflect planning and design and management overhead costs in a separate package covering, overall one-time implementation cost. All military construction savings should also be addressed in this same package.

One-time Implementation Costs:

Military Construction: New facilities that must be constructed to accommodate a realignment or closure action. List the construction projects associated with the package as follows:

<u>Location/Project Title</u>	<u>Fiscal Year of Award</u>	<u>Amount (\$ in 000)</u>
-------------------------------	---------------------------------	-------------------------------

Subtotal for Each Fiscal Year

Conjunctively-Funded Construction: Identify each project that is funded conjunctively, the total cost of each project and the amounts funded by non-Base Closure Account sources. These projects will also appear on the above list, which will reflect only that portion of the project to be funded by the Base Closure Account.

Family Housing Construction: Specify the number of units and location. As with military construction, list each family housing construction project.

Family Housing Operations: The one-time family housing operations costs associated with package implementation.

Operation and Maintenance: Includes PCS of civilian personnel, civilian severance costs, transportation of things, RPM and other one-time implementation costs as a result of closure or realignment. Program management costs should also be addressed, but only in the separate package covering overall one-time implementation costs.

Procurement Items: Items normally funded from procurement appropriations.

Revenues From Land Sales: Provide statistics and narrative to adequately describe the land being proposed for sale. Describe the method and date of appraisal.

**Exhibit BC-03 BRAC Package Description**  
(page 1 of 2)

Exhibit BC-03 BRAC Package Description 2005 Commission (Continued)

Environmental: Indicate the environmental restoration actions that will occur at both the losing and gaining locations, the funding requirements and status of all such restoration actions.

Savings: Demonstrated savings that will accrue from the partial or complete closure of the base.

Military Construction: To be addressed in the single package addressing overall/program management costs.

Family Housing Construction: Self-explanatory.

Family Housing Operations: Savings (offset by increased recurring costs).

Operation and Maintenance: One-time and recurring savings (offset by increased recurring costs) in civilian personnel, base operations, RPMA and other costs as a result of closure or realignment. Be specific as to the category,

Military Personnel: One-time and recurring savings (offset by increased recurring costs) in military personnel as a result of closure or realignment. Be specific as to the category.

Other: Self-explanatory.

Exhibit BC-03  
(Page 2 of 2)

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs

BASE REALIGNMENT AND CLOSURE 2005 ACCOUNT  
Continuing Environmental Restoration and Caretaker Cost  
1/  
(DOLLARS IN 2/)FY2003   FY2004   FY2005   FY2006   FY2007   Total 3/CONTINUING ENVIRONMENTAL AND  
CARETAKER COSTS:Environmental  
Operation and Maintenance  
Homeowners Assistant Program  
TOTAL COSTS  
Revenues From Land Sales(-)  
Budget Authority Request

1/ Identification, e.g., DoD Financial Summary, Army Summary or Pease AFB Package, etc.

2/ Dollars in thousands

3/ Reflect the Budget Year and four prior fiscal years.

Exhibit BC-04 Continuing BRAC Environmental Restoration and Caretaker Costs  
(page 1 of 1)

Exhibit BC-05 Construction Project Listing 2005 COMMISSION

COMPONENT: \_\_\_\_\_  
FY \_\_\_\_ BASE REALIGNMENT AND CLOSURE DATA  
2005 COMMISSION  
BRAC CONSTRUCTION PROJECT LISTING  
(Dollars in Thousands)

<u>State</u> <u>Code</u>	<u>Project</u> <u>Location</u>	<u>Project</u> <u>Title</u>	<u>Fiscal</u> <u>Year</u>	<u>Authorization</u> <u>Request</u>	<u>Appropriation</u> <u>Request</u>	<u>Award</u> <u>Date</u>
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BRAC Construction Project Listing Exhibit BC-05

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up

Class	Component	FUDS	FundSource	CleanUp Action	RiskMSRPP Level	RiskMSRPP Type	SiteFunding Requirements	FY PY Actual	FY CY Estimate
-------	-----------	------	------------	-------------------	--------------------	-------------------	-----------------------------	-----------------	-------------------

**D.**

FY BY 1	FY BY 2	FY BY +1	FY BY 2 +2	FY BY 2 +3	FY BY 2 +4	BalanceToComplete
---------	---------	-------------	---------------	---------------	---------------	-------------------

**E. Instructions**

- 1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 2 captures Project Management activity breakouts for IRP, Munitions Response, BD/DR, BRAC Compliance, and BRAC Planning. Legacy BRAC includes BRAC rounds I-IV, and there is a separate format required for BRAC 2005.
- 2) For all Fund Sources, all Clean-Up Programs provide number of sites and funding by Clean-Up and Analysis in all years identified and Balance to Complete. See Relationship Matrix below. For BRAC Planning and BRAC Compliance, provide number of facilities in lieu of sites.
- 3) Only the Army reports FUDS.
- 4) For Clean-up Action—for Assessments, Analysis/Investigation, Interim Actions, Remedial Designs, and Remedial Action Construction provide the funding detail by Relative-Risk or MRSPP Level and Type.
- 5) If there is no analysis associated with an action, report funding only.
- 6) Components shall program adequate resources in each year of the FYDP to achieve the programs goals for all restoration activities.
- 7) Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review submission.
- 8) Components shall provide to the DUSD (I&E) no later than two weeks before their POM and budget submissions are due to OSD, the updated relative risk site evaluations, site status updates and cost to complete estimates for every site as required by DoD Instruction 4715.7.
- 9) The reporting entities directed to submit this data requirement refers to Military Departments (Active, Guard, Reserve)/Defense Agencies.

**F. Definitions****Class:** System Field: Classification**C:** CONFIDENTIAL**C/NF:** CONFIDENTIAL//NOFORN**F:** FOR OFFICIAL USE ONLY**S:** SECRET**S/NF:** SECRET//NOFORN**U:** UNCLASSIFIED**Component:** For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency. Army also reports for FUDS.**Active:****DADW:** Defense Area Defense Wide. Used by non-service defense agencies.**Guard:****Reserve:**

Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

**FUDS:** Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a “Yes” or “No” value. All other Services/Agencies will enter “No” as the FUDS data value

*No:*

*Yes:*

**FundSource:**

**BRAC-Building Demolition/Debris Removal:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense. Separate entries are required for Legacy BRAC and BRAC 2005.

**BRAC-COMPLIANCE:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.6. Separate entries are required for Legacy BRAC and BRAC 2005

**BRAC-IRP:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005

**BRAC-Munitions Response:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005

**BRAC-PLANNING:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.9. Separate entries are required for Legacy BRAC and BRAC 2005

**Environmental Restoration-Building Demolition/Debris Removal:** Funded by Environmental Restoration appropriations. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense.

**Environmental Restoration-IRP:** Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

**Environmental Restoration-Munitions Response:** Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

**Land Sale Revenue:** A one line entry for Legacy BRAC and BRAC 2005 to indicate how much land sale revenue will be applied to Environmental Requirements.

**CleanUpAction:**

**Analysis/Investigation:** Analysis used to characterize the nature, extent, and risk of releases of hazardous substances into the environment and to develop and select a cleanup remedy.

**Assessments:** A limited scope investigation designed to distinguish sites that pose little or no threat to human health and the environment from sites that require further investigation. The assessment typically is based on installation records searches, visual site inspections, and interviews with personnel.

**Interim Actions:** An interim measure that can be implemented at any time in the restoration process and that is designed to abate contamination until the final remedial action can be implemented.

**Land Sale Revenue:** Term used to identify funds recovered from the sale of real property used to offset restoration funding requirements.

**Long Term Management:** Term used for environmental monitoring, review of site conditions, and/or maintenance of a remedial action to ensure continued protection as designed once a site achieves response complete.

*N/A:* Not applicable; leave blank.

**No Further Action:** No further action planned or funded.



Env 30 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

**Potentially Responsible Party:** (PRP)-As defined in the Comprehensive Environmental Response Compensation and Liability Act(CERCLA) Recovery-Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

**Recovery:** Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

**Remedial Action Construction:** The restoration phases during which the final remedy is being put in place. The end date signifies that the construction is complete, all testing has been accomplished, and that the remedy will function properly.

**Remedial Action Operations:** Remedial Action Operations (RAO) - The period when a remedy is being operated but cleanup objectives have not yet been achieved.

**Remedial Designs:** Restoration phases during which construction parameters and equipment specifications for a selected cleanup technology are defined.

**RiskMSRPLevel:** Risk Level as defined to the DoD Relative Risk Site Evaluation Primer or Munitions Response Site Prioritization Protocol (MRSP) priority level.

**High Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Low Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Medium Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**MRSP 1:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 2:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 3:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 4:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 5:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 6:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 7:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP 8:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP Evaluation Pending:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP No Known or Suspected Hazard:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSP No Longer Required:** As defined in the MRSP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

N/A: N/A

N/A: Not applicable; leave blank.

**Not Evaluated Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**RiskMSRPType:**

N/A: Not applicable; leave blank.

**With Agreements:**

**With Reuse:** Action is necessary to support a future land use identified in an approved Reuse Plan.

**Without Agreements:**

**Without Reuse:** Future land reuse either has not been identified or the action is not necessary to support a future land use identified in an approved Reuse Plan.

**SiteFundingRequirements:**

**Analysis:** \$TOA (and includes PA/SI and RI/FS activities)

**Clean-up:** \$TOA (includes IRA, RD, and RA-C activities)

**Sites:** # of sites (projects for FUDS) at the beginning of the FY.

**BalanceToComplete:** Balance to Complete: Total Funding beyond required to complete the projected.

Business Rules- 2005 COMMISSION

***Data Matrix: FundSource, CleanUpAction, RiskMSRPPLLevel, RiskMSRPPTType Relationship***

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
Environmental Restoration-IRP	Analysis/Investigation	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Assessments	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Interim Actions	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType	
		N/A	N/A	
			With Agreements	
			Without Agreements	
			Land Sale Revenue	N/A
				With Agreements
				Without Agreements
			Long Term Management	N/A
				With Agreements
				Without Agreements
	Potentially Responsible Party	High Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Medium Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Low Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Not Evaluated Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		N/A	N/A	
			With Agreements	
			Without Agreements	
	Recovery	High Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Medium Relative Risk	N/A	
			With Agreements	
			Without Agreements	
Low Relative Risk		N/A		
		With Agreements		
		Without Agreements		
Not Evaluated Relative Risk		N/A		
		With Agreements		
		Without Agreements		
N/A		N/A		
		With Agreements		
		Without Agreements		
Remedial Action Construction	High Relative Risk	N/A		
		With Agreements		
		Without Agreements		
	Medium Relative Risk	N/A		
		With Agreements		
		Without Agreements		

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Remedial Action Operations		N/A
			With Agreements
			Without Agreements
	Remedial Designs	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
Environmental Response	Restoration-Munitions	Analysis/Investigation	MRSPP 1
			MRSPP 2
			MRSPP 3
			MRSPP 4
			MRSPP 6
			MRSPP 7
			MRSPP 8
			MRSPP Evaluation Pending
			MRSPP No Known or Suspected Hazard
			MRSPP No Longer Required
			MRSPP 5
		Assessments	MRSPP 1
			MRSPP 2
			MRSPP 3
			MRSPP 4
			MRSPP 6
			MRSPP 7

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPType
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
	Interim Actions	MRSPPL 5	
		MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
	Long Term Management	MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
	No Further Action	MRSPPL 5	
		MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
	Potentially Responsible Party	MRSPPL No Longer Required	
		MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPType
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
	Recovery	MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
		MRSPPL 5	
	Remedial Action Construction	MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
		MRSPPL No Longer Required	
	Remedial Action Operations	MRSPPL 5	
		MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	
		MRSPPL No Known or Suspected Hazard	
	Remedial Designs	MRSPPL No Longer Required	
		MRSPPL 5	
		MRSPPL 1	
		MRSPPL 2	
		MRSPPL 3	
		MRSPPL 4	
		MRSPPL 6	
		MRSPPL 7	
		MRSPPL 8	
		MRSPPL Evaluation Pending	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		MRSP No Known or Suspected Hazard	
		MRSP No Longer Required	
Environmental Restoration-Building Demolition/Debris Removal	N/A	MRSP 5	
		N/A	
Legacy BRAC-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
	Assessments	Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
	Long Term Management	Low Relative Risk	
		Not Evaluated Relative Risk	
	Potentially Responsible Party	High Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Medium Relative Risk	
		Low Relative Risk	
	Recovery	Not Evaluated Relative Risk	
		High Relative Risk	
		Medium Relative Risk	
	Remedial Action Construction	Low Relative Risk	
		Not Evaluated Relative Risk	
		High Relative Risk	
	Remedial Action Operations	Medium Relative Risk	
		Low Relative Risk	
	Remedial Designs	Not Evaluated Relative Risk	
		N/A	
		High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	



FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Not Evaluated Relative Risk	
Legacy BRAC-Building Demolition/Debris Removal	N/A	N/A	N/A
Legacy BRAC-PLANNING			
Legacy BRAC-COMPLIANCE			
Legacy BRAC Land Sale revenue			
BRAC 2005-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
BRAC 2005-Building Demolition/Debris Removal	N/A	N/A	N/A
BRAC 2005-PLANNING			
BRAC 2005-COMPLIANCE			
Land Sale Revenue			

**Subject Matter Experts:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107

**VOLUME 2B, CHAPTER 8 “FACILITIES SUSTAINMENT AND  
RESTORATION/MODERNIZATION”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

**Hyperlinks are denoted by **bold, italic, blue, and underlined font**.**

The previous version dated December 2010 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
080505	Requires budget execution oversight of the DoD Overseas Military Facility Investment Recovery Account (DOMFIRA).	Update

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**CHAPTER 8****FACILITIES SUSTAINMENT AND RESTORATION/MODERNIZATION**

## 0801 GENERAL

## 080101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Facilities Sustainment and Restoration/Modernization (FSRM).

B. The following appropriations and accounts are covered:

Section

## 0802

- Operation and Maintenance Appropriations
- Research, Development, Test, and Evaluation Appropriations
- Defense Working Capital Funds
- Military Construction
- Other Funds

Section

## 0804

- Transfer or Disposal of DoD Real Property
- Lease of DoD Real Property

Section

## 0805

- DoD Overseas Military Facility Investment Recovery Account

## 080102. Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 8 covers specific additional back-up material requirements for the above Facilities Sustainment and Restoration/Modernization accounts. In summary, all exhibit displays for Facilities Sustainment and Restoration/ Modernization accounts must be provided to the Military Personnel and Construction Directorate, Room 3C654, Pentagon.

## 080103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 8 provides additional specific guidance with regard to the back-up material required for Facilities Sustainment, Restoration and Modernization.

## 080104. References

Chapter 3 provides Chapter 5 guidance related to Operation and Maintenance costs and submission organization and provides guidance, submission organization and formats related to Research, Development, Test, and Evaluation appropriations.

## 080105. Definition of Sustainment and Restoration/Modernization

A. Sustainment means the maintenance and repair activities necessary to keep an inventory of facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, and emergency response and service calls for minor repairs. It also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of wall surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, and similar types of work. It does not include environmental compliance costs, facility leases, or other tasks associated with facilities operations (such as custodial services, grounds services, waste disposal, and the provision of central utilities).

The DoD facilities sustainment model (FSM) is used as the standardized model for forecasting facilities sustainment resource requirements. The FSM uses the following formula to develop the sustainment requirement:

1. ***Annual sustainment requirement*** = **facility quantity** x **sustainment unit cost** x **location factor** x **inflation**.

2. **.Facility quantity** - the facility size expressed in the Facility Analysis Category (FAC) unit of measure (such as square feet).

3. **Sustainment unit cost** – the average annual unit cost (in current year dollars) for sustaining the average size facility in the given FAC.

4. **Location factor** – a location adjustment based upon the local costs for labor, equipment, materials, and currency exchange rates (overseas) compared with an overall base-city average.

5. **Inflation** – factor to adjust current year prices to the target future year.

The Department uses a sustainment metric which is the comparison of sustainment funding to the requirement for a given year, expressed as a rate.

6. ***Sustainment rate (%)*** = sustainment funding/FSM requirement:



B. Restoration means the restoration of real property to such a condition that it may be used for its designated purpose. Restoration includes repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes.

C. Modernization means the alteration or replacement of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years (such as the framework or foundation)

D. Recapitalization means the major renovation or reconstruction activities (including facility replacements) needed to keep existing facilities modern and relevant in an environment of changing standards and missions. Recapitalization extends the service life of facilities or restores lost service life. It includes restoration and modernization of existing facilities, as well as replacement of existing facilities with new.

Plant replacement value (PRV) is used as a common measure of facility and inventory size, as well as the basis for generating facility condition index (FCI) values and estimating recapitalization requirements. The DoD standardized formula for calculating PRV is:

1. ***Plant Replacement Value* = facility quantity x replacement unit cost x location factor x planning & design (P&D) factor x historical factor x contingency factor x SIOH x inflation**

2. **Facility quantity** – the facility size expressed in the FAC unit of measure (such as square feet)

3. **Replacement unit cost** – the average annual unit cost (in current year dollars) for constructing the average size facility to current standards in the given FAC

4. **Location factor** – a location adjustment based upon the local costs for labor, equipment, materials, and currency exchange rates (overseas) compared with an overall base-city average

5. **P&D factor** – an adjustment to account for typical project planning and design costs

6. **Historical factor** – an adjustment for historical architecture and materials (when applicable)

7. **Contingency factor** – an adjustment for typical contingency costs during construction

8. **Supervision, Inspection, and Overhead (SIOH)** – an adjustment for supervision, inspection, and overhead costs associated with construction management

9. **Inflation** – factor to adjust current year prices to the target future year

080106. Facilities Data Quality Assurance (FDQA)

A. The Facilities Data Quality Assurance website was implemented to improve the quality of facilities data used by the Department in its PPBE process, and it displays the data sources of record for all facilities data reporting. This application integrates and displays facilities data submitted by the Components to OSD via Program Resources Collection Process (PRCP), the Standard Data Collection System (SDCS), and Select and Native Programming (SNaP) systems. The data within the FDQAW subsequently produce facilities sustainment metric displays which are displayed in the performance criteria of the OP-5, Detail by Subactivity Group.

B. Components must ensure O&M exhibits are consistent with the PRCP and SDCS data submissions. Verification of the accuracy of the data contained within the FDQA application must be completed PRIOR to the final lock of these databases for preparation of President's Budget materials.

C. Standard operating procedures for the FDQA can be found at <https://dpd.pae.osd.smil.mil>.

080107. Data Displays

Facility Sustainment, Restoration and Modernization exhibits must be consistent. The following list should be used as a reference for validating data:

- OP-5 Detail by Subactivity Group (Facility Sustainment, Restoration and Modernization)
- OP-32 Automated submission
- PBA-7 Facilities Sustainment, Restoration and Modernization, and Demolition Programs
- O-1 O&M funding by Budget Activity/Activity Group/Subactivity Group
- Facilities Data Quality Assurance application

To the extent a Component submits different estimates in any of the preceding displays, the automated OP-32 will serve as the prevailing display for O&M resources. For Defense Agencies, the object sub-class 923 will serve as the prevailing estimate.

## 0802 PROGRAM AND BUDGET REVIEW SUBMISSION

## 080201. Purpose

A. This Section prescribes instructions for the preparation and submission of budget estimates for Facilities Sustainment, Restoration and Modernization requirements.

B. Guidance covers all Facilities Sustainment and Restoration/Modernization (FSRM) costs. Facilities Sustainment and Restoration/Modernization include all recurring maintenance and repair projects costs, real property renovation project costs, and planning and design costs associated with projects; providing funding support to maintain, repair, and modernize buildings, structures, roadways, aprons, railway trackage, utility plants, distribution systems, and other real property.

C. Program funding submitted in Component justification materials must correspond to funding levels identified in the Facilities Sustainment and Restoration/Modernization Program Elements.

D. When budgeting for facilities sustainment and recapitalization, Components will consider the anticipated levels of military personnel monies that fund part of the labor for facilities sustainment and recapitalization (the latter performed by restoration and modernization monies). As appropriate, components will adjust the levels of either operations and maintenance or military construction funding for either facilities sustainment or facilities recapitalization to recognize the contribution of military personnel funds that help maintain the Department's facilities. When determining the military personnel contribution Components must use the method documented on page 12 of the Facilities Recapitalization Metric Front-End Assessment Report, dated August 2002. Additionally components must, for considering the affect of military personnel funds on operation and maintenance and military construction accounts, use the same personnel allocation information and cost rates they provide for the FYDP.

E. When budgeting for facilities sustainment, Components will consider the anticipated levels of Host Nation Support monies and Non-Federal Domestic Facilities Contributions that will be available to reduce the need for appropriated facilities sustainment funding. Components must identify in the FYDP the anticipated levels of both Host Nation Support monies and Non-Federal Domestic Facilities Contributions that are expected to fund facilities sustainment. Specifically, these funds must be booked in the appropriate FYDP facilities sustainment program elements using Resource Identification Code 0800.

F. When budgeting for facilities sustainment and recapitalization, Components will consider the anticipated levels of Defense Working Capital Fund (DWCF) monies that fund facilities sustainment and recapitalization (the latter preformed by restoration and modernization monies). Components must identify DWCF facilities sustainment and facilities restoration and modernization funds in the appropriate FYDP facilities sustainment and

facilities restoration and modernization program elements. Additionally, as appropriate, Components will adjust the levels of appropriated funding for either facilities sustainment or facilities recapitalization to recognize the contributions of DWCF monies that help maintain the Department's facilities.

G. When budgeting for facilities sustainment and recapitalization Components will consider the anticipated levels of RDT&E monies that fund facilities sustainment and recapitalization (the latter preformed by restoration and modernization monies). Components must identify RDT&E facilities sustainment and facilities restoration and modernization funds in the appropriate FYDP facilities sustainment and facilities restoration and modernization program elements. Additionally, as appropriate, components will adjust the levels of either operations and maintenance or military construction funding for either facilities sustainment or facilities recapitalization to recognize the contribution of RDT&E funds that help maintain the Department's facilities.

#### 080202. Submission Requirements

A. General Guidance: All Components (i.e., active forces, defense agencies, National Guard and reserve forces) shall submit justification data and exhibits to support budget estimates for Facilities Sustainment, Restoration and Modernization, in a separate bound attachment (see Chapter 3, Section 030201). Two copies of this attachment will be delivered to: Military Personnel & Construction Directorate, Program/Budget, OUSD(Comptroller) Room 3C654, Pentagon, on the same date as all other submissions required for O&M Appropriations. Exhibits required include:

1. OP-5 Attachment 4: Facilities Sustainment, Restoration and Modernization (FSRM), and Demolition
2. PBA-7 Facilities Sustainment and Restoration/Modernization, and Demolition Programs

Both the OP-5 and PBA-7 must match at the subtotal levels for a) sustainment, b) restoration and modernization, and c) demolition. Component data must correspond to funding levels identified in the Facilities Data Quality Assurance website.

NOTE: As demolition can be identified separately by program element, it should be broken out as such whenever the other two elements are separated, and it should be noted that it's included when it's part of the total.

B. Military and civilian personnel costs reflected on Exhibit PBA-7 will include only those personnel assigned in support of FSRM accounts. It will include those personnel performing planning and design functions for both projects and installation FSRM surveys and FSRM master planning, but will exclude those involved in other base operating services or support services.

C. Formats for the OP-5 and PBA-7 exhibits are in Volume 2A, Chapter 3, section 0304 of this regulation.

080203. Preparation of Material

All material will be provided on 8-1/2 inch by 11 inch size paper, and bound on the long side. All narrative data will be typed across the short dimension of the paper, while exhibits will be typed across the long dimension.

0803 CONGRESSIONAL JUSTIFICATION/PRESENTATION

080301. General

Components are required to conform to the PBD approved funding levels when submitting final budget exhibits to Congress.

080302. Organization of Justification Books

See chapters covering specific appropriation (Operation and Maintenance - Chapter 3, RDT&E Chapter 5).

0804 REVENUE FROM TRANSFER OR DISPOSAL OF DoD REAL PROPERTY AND REVENUE FROM LEASING OUT OF DOD ASSETS

080401. General

Section 572 of 40 U.S.C. and Section 2667 of 10 U.S.C. provide for the receipt of proceeds from the disposal or lease of DoD real property and prescribe the use of these funds.

080402. Revenue From Transfer or Disposal of DoD Real Property (40 U.S.C. 572)

When revenue from the transfer or disposal of DoD Real property is received, there is a statutory requirement to identify each transfer and disposal made during the fiscal year, including a detailed explanation of each such transfer and disposal and of the use of the proceeds received. An estimate for the current and budget year transfers or disposals should also be included.

080403. Revenue From Leasing Out of DoD Assets (10 U.S.C. 2667)

The identification of each lease entered into during the fiscal year, including a detailed explanation of each lease and amendments, and of the use of the lease proceeds that were expended is no longer required by 10 U.S.C. 2667. However, the Military Departments will still provide the total actual receipts for the prior year, and an estimate of total receipts for the current year and budget year.

## 080404. Deposit and Accounting Procedures

Cash receipts obtained from the transfer or disposal of real property will be deposited into the Disposal of DoD Real Property Account, 97X5188. Cash receipts obtained from leasing out of DoD assets will be deposited into the Lease of DoD Real Property, 97X5189. Accounting instructions are included in Volume 12, Chapter 14.

## 080405. Funds Release Procedures

Funds deposited into the Disposal of DoD Real Property Account, 97X5188, are available only for purposes of maintenance and repair and environmental restoration at U.S. facilities as specified in 40 U.S.C. 572. Funds deposited into the Lease of DoD Real Property Account, 97X5189, are available for: A) maintenance, protection, alteration, repair, improvement or restoration (including environmental restoration) of facilities; B) construction or acquisition of new facilities; C) lease of facilities; and/or D) facilities operation Support. The Components may request release of funding, based on verifiable deposits, by memorandum to the USD Comptroller, Director for Military Personnel & Construction.

## 080406. Budget Exhibits for Congressional Submission

The Military Departments will be complete a PB-34A Exhibit (Revenue from Leasing of DoD Real Property) and a PB-34B Exhibit (Proceeds from Disposal of DoD Real Property). Both the PB-34A and PB-34B will be included in the O&M Justification Book (Volume II) as described in Chapter 3 of Volume 2A of this regulation.

## 0805 DOD OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT

## 080501. General

Section 2921 of P.L. 101-510, FY 1991 National Defense Authorizations Act, established the Department of Defense Overseas Military Facilities Investment Recovery account. The purpose of the account is to collect payments from host nations for the value of new construction and improvements made by the United States at overseas military installations being returned.

## 080502. Deposit and Accounting Procedures

Cash receipts obtained from return of overseas real property and improvements to host nations will be deposited into the DoD Overseas Military Facility Investment Recovery Account, 97X5193. For accounting instructions see Volume 12, Chapter 13.

## 080503. Funds Release Procedures

Funds deposited into the DoD Overseas Military Facility Investment Recovery Account are available only for purposes of maintenance and repair and environmental restoration at U.S. facilities and maintenance and repair and environmental compliance at military facilities outside the U.S. that are anticipated to be occupied by U.S. Forces for an extended period of time. The

Components may request release of funding, based on verifiable deposits, by memorandum to the USD (Comptroller), Director for Military Personnel & Construction.

080504. Budget Estimate Submission Exhibit

Components returning overseas military facilities to host nations that have resulted in collections to this account must complete an OP-29 exhibit. This exhibit provides information on the cost and improvements, depreciation, residual value, and amount collected from the host nation that is necessary in accomplishing an annual report to the Congress. It also documents proposed sustainment, restoration and modernization or environmental restoration/compliance projects at military installations to be financed from the proceeds deposited into this account.

\*080505. Budget Execution Oversight

In accordance with paragraph 080401 of Volume 3, Chapter 8, the Military Departments and designated fund holders are required to periodically review DoD Overseas Military Facility Investment Recovery Account (DOMFIRA) commitments and obligations, whether current or dormant. Appropriate action should be taken to resolve any DOMFIRA unliquidated commitments and obligations, and minimize DOMFIRA unobligated balances resulting from prior year carryover funds.

0806 FACILITIES SUSTAINMENT and RESTORATION/MODERNIZATION FORMATS

080601. Purpose

The special formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

080602. Exhibits in Support of Section 0802 - Program and Budget Review Submission

Formats for the FSRM OP-5 and FSRM PBA-7 exhibits are in Volume 2A, Chapter 3, Section 0304.

080603. Exhibit in Support of Section 0804 - Revenue From Transfer or Disposal of DoD Real Property and Revenue from Leasing out DoD Assets: Congressional Justification/Presentation

PB-34A Revenue from Leasing Out of Department of Defense Assets

PB-34B Proceeds from Disposal of Department of Defense Real Property

080604. Exhibit in Support of Section 0805 - DoD Overseas Military Facility Investment Recovery Account: Program and Budget Review Submission

OP-29 Overseas Military Facility Investment Recovery Account

**DEPARTMENT OF \_\_\_\_\_**  
**Exhibit PB-34A: REVENUE FROM LEASING OUT OF DEPARTMENT OF DEFENSE REAL PROPERTY**  
**FY XXXX PRESIDENT'S BUDGET**

	<u>(\$ in Thousands)</u>		
	<u>FY PY \1</u>	<u>FY CY \2</u>	<u>FY BY \2</u>
Total Revenue from Lease of DoD Real Property	\$XX,XXX	\$XX,XXX	\$XX,XXX

\1 Actual revenue received under 10 USC 2667, Leases: non-excess property

\2 Estimated revenue under 10 USC 2667, Leases: non-excess property.

Exhibit PB-34A Revenue from Leasing Out of Department of Defense Assets  
(Page 1 of 1)



DEPARTMENT OF \_\_\_\_\_  
**Exhibit PB-34B: PROCEEDS FROM DISPOSAL OF DEPARTMENT OF DEFENSE REAL PROPERTY**  
**FY XXXX PRESIDENT'S BUDGET**

<u>(Proceeds in \$ Thousands)</u>			
	<u>FY PY \1</u>	<u>FY CY \2</u>	<u>FY BY \2</u>
1. Disposal Action	\$XX,XXX	XX,XXX	\$XX,XXX
(a) <u>Explanation of Disposal Action</u>			
(b) <u>Actual or Planned Use of Proceeds Generated from Disposal</u>			
2. Disposal Action	\$XX,XXX	XX,XXX	\$XX,XXX
(a) <u>Explanation of Disposal Action</u>			
(b) <u>Actual or Planned Use of Proceeds Generated from Disposal</u>			
Total Department of _____	\$XX,XXX	\$XX,XXX	\$XX,XXX

**Instructions:** Each disposal action should be listed above with the actual or estimated proceeds in each fiscal year in thousands of dollars. For **Explanation of Disposal Action**, include the name of the location, state, and a brief description/purpose of the disposal. For **Actual or Planned Use of Proceeds Generated from Disposal**, a description of anticipated uses of proceeds as authorized in 40 USC Sec. 485 is required.

\1 Actual proceeds received under 40 USC Sec. 572

\2 Estimated proceeds under 40 USC Sec. 572.

Exhibit PB-34B Proceeds from Disposal of Department of Defense Real Property  
 (Page 1 of 1)

DEPARTMENT OF \_\_\_\_\_  
**Exhibit OP-29: OVERSEAS MILITARY FACILITY INVESTMENT RECOVERY ACCOUNT**

<b>(Dollars in Thousands)</b>		
<b>PART A: REAL PROPERTY ASSETS DISPOSED</b>	<b><u>FY PY-1</u></b>	<b><u>FY PY</u></b>
<u>Host nation providing consideration/payment</u>		
1. Description of facility, location, and amount received:	\$XX,XXX	
(a) Total amount of the investment (cost plus improvements) in the facility:	\$XX,XXX	
(b) Depreciated value of facility (facility cost (a) adjusted for inflation and depreciation):	\$XX,XXX	
(c) Explanation of any difference between amount received from host nation and the depreciated value:		
Total payments by host nation:	\$XX,XXX	\$XX,XXX
Total payments by all host nations:	\$XX,XXX	\$XX,XXX

**PART B: PROPOSED FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) OR ENVIRONMENTAL RESTORATION/COMPLIANCE PROJECTS AT MILITARY INSTALLATIONS PROPOSED TO BE FUNDED FROM PROCEEDS:**

			<b>Cost (Dollars in Thousands)</b>	
<u>State</u>	<u>Installation</u>	<u>Project Title</u>	<b><u>FY CY</u></b>	<b><u>FY PY</u></b>
		<u>(Description/Justification)</u>	\$XX,XXX	\$XX,XXX

**VOLUME 2B, CHAPTER 9: “DEFENSE WORKING CAPITAL FUNDS ACTIVITY  
GROUP ANALYSIS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font***.

The previous version dated November 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Changed BY1 to BY and deleted all references to BY2 in paragraphs and exhibits	Update
090103	Changed cash corpus calculation.	Update

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**CHAPTER 9****DEFENSE WORKING CAPITAL FUNDS ACTIVITY GROUP ANALYSIS**

## 0901 GENERAL

## 090101. Purpose

This chapter highlights the policies and justification procedures underlying budget formulation for the Defense Working Capital Funds (DWCF).

## 090102. Background

A. Revolving funds were established to satisfy recurring Department of Defense requirements using a businesslike buyer-and-seller approach. The generators of requirements justify the need for funds to the Congress, but are not always the organizations that execute the requirement. In some instances, the "customers" or "buyers" contract with DoD "provider" or "seller" organizations that have expertise in the service or product required, and operate under business financial management principles. Unlike profit-oriented commercial businesses, the revolving funds goal is to break even over the long term. Revolving fund selling prices established in the budget are stabilized or fixed during execution to protect customers from unforeseen fluctuations that would impact on their ability to execute the programs approved by the Congress.

B. The basic principle of the revolving fund structure is to create a customer-provider relationship between military operating units and support organizations. This relationship is designed to make managers of support organizations funded through DWCF and decision-makers at all levels more concerned with the costs of goods and services. Requiring the operating forces to pay for support they receive provides increased assurance that services supplied and paid for are actually needed. Prior to the establishment of an activity under DWCF, the Secretary or Assistant Secretary of the Military Department or the Director for a Defense Agency, as applicable, shall prepare, sign, and submit a charter that sets forth the scope of the activity group to the Comptroller of the Department of Defense for approval. Four criteria are used in evaluating potential activity groups for inclusion into the Fund. The four criteria are: identification of outputs that relate to products or services provided by the business to customers; establishment of a cost accounting system to collect costs of producing outputs; identification of customers so that resources can be aligned with the requirements; and evaluation of buyer-seller advantages and disadvantages to include assessment of the customers' ability to influence cost by changing demand.

C. Revolving funds have been in use by the Military Components for a considerable period of time. Modern day revolving fund authority is provided by the National Security Act of 1947, as amended (Title 10 U.S.C., Section 2208). The FY 1996 DoD Authorization Act (Public Law 104-106) codified the Defense Business Operations Fund (the predecessor of the Defense Working Capital Fund) in Chapter 131 of Title 10, U.S.C.

D. Revolving Fund Activities evolved from two distinct categories. The first type, Stock Funds, dealt with procuring material in volume from commercial sources and

holding an inventory. Subsequently, activities sold the material to authorized customers who needed the material to achieve weapon systems readiness or provide required personnel support items. The second type, Industrial Funds, provided industrial and commercial goods and services such as depot maintenance, transportation, and research and development. Both types of revolving funds were financed primarily by reimbursements from customers' appropriated accounts.

E. The Department of Defense expanded the use of business-like financial management practices through the establishment of the Defense Business Operations Fund (DBOF) on October 1, 1991. Building on revolving fund principles, cost and performance are linked and the Fund's managers are expected to operate within cost goals established in operating and capital budgets.

F. DBOF combined existing commercial or business operations that were previously managed as individual revolving funds into a single revolving, or business management, fund. The Fund Treasury account has five sub accounts (one for each Military Department, Defense-wide, and the Defense Commissary Agency). On December 11, 1996, the Under Secretary of Defense (Comptroller) reorganized DBOF and created four Working Capital Funds: Army, Navy, Air Force, and Defense-Wide. Further, on December 16, 1997, a separate Working Capital Fund was established for the Defense Commissary Agency effective in FY 1999. This change retains the numerous benefits and improvements resulting from the implementation of DBOF while clearly establishing each Component's responsibility for managing the functional and financial aspects of their activities.

G. Prior to FY 1992, industrially funded activities did not receive funding documents. All funding authority was provided through customer orders. With the implementation of the Funds, the OUSD (Comptroller) issues annual operating budgets that provide official management cost goals and capital budgeting limitations to the Services and Agencies for each activity group.

H. For businesses within the Fund, unit cost goals and fixed prices make it possible to measure changes in cost based on financial operating results. This cost-oriented approach encourages management to look at all costs, including overhead, in terms of the output of the business and provides visibility of cost drivers.

**\*090103. Policy**

These policy statements are for preparing the program and budget review submission.

**A. Cash Management**

1. The cash management policy is to maintain the minimum cash balance necessary to meet both operational requirements and disbursement requirements in support of the capital program. Cash generated from operations is the primary means of maintaining adequate cash levels. The ability to generate cash is dependent on setting rates to

recover full costs to include prior year losses; accurately projecting workload; and meeting established operational goals.

2. The responsibility for DWCF cash management was returned to the Components and Agencies effective February 1, 1995. This provides activity group managers additional control of and accountability for their operations, since cash management is an integral part of operational and cost management.

3. Any transfers of cash between DWCF activity groups, whether directed internally by the Components or as the result of audit, Departmental guidance, or Congressional direction, will be included in the affected activity groups' budgets. Activity groups will consult with and obtain the approval of the OUSD (Comptroller) before executing a cash transfer. Further, such transfers will be formally documented and will be reflected in both the gaining and losing activity groups' budget justification books for the President's Budget Submission. Lastly, transfers between working capital funds or between working capital funds and direct appropriations require congressional approval.

4. The major points included in the policy are:

a. Effective cash management is directly dependent on the availability of accurate and timely data on cash levels and operational results.

b. Cash levels should be maintained at 7 to 10 days of operating cost plus six months of capital disbursements, using the following formula: Divide the total operating budget disbursements for two fiscal years (current year plus one) by available workdays in those fiscal years (as documented in Section 85.5 of OMB Circular A-11). Multiply the result by the number of days of cash desired. Add the projected disbursements for six months of Capital Investment Program Outlays, calculated by dividing the total projected capital disbursements for the fiscal year in half. The Services/Agencies may add the following adjustments to the cash level calculated above if approved by the Director for Revolving Funds.

(1) Accumulated Operating Results (AOR) Retention – AOR Retention represents the accumulated operating results planned for return to customer accounts via downward rate adjustments. The accumulated operating results line of the Fund 14 in the approved budget submission constitutes the basis for the adjustment. Services/Agencies can plan for the return of AOR in a single year or over two years. Single year AOR return will add the full amount of the return to ensure availability of cash; two-year AOR returns will add one-half of the AOR amount shown on the Fund 14. .

(2) Unliquidated Direct Appropriation (UDA) – UDA represents funds appropriated directly to a Service/Agency Working Capital Fund that are obligated in the year received but may not fully liquidate until future years. The UDA adjustment will reflect the amount of direct appropriations that remain unliquidated. Components will phase the expected disbursements of UDA in accordance with the approved Department of Defense Outlay Rates (as a percent of budget authority) as displayed in the Financial Summary Tables of the Department of Defense Budget submission. Components will



use the Procurement outlay applicable to their organization. The UDA phase plans will accompany the submission of a Component's Fund 13.

(3) Commodity/Market Adjustment (CMA) – The CMA is the marginal cash required to purchase goods or services from the commodity/business market at a higher price than was budgeted in the President's Budget. The CMA will reflect the cash impact of the specified market fluctuation.

c. Components will develop cash plans, incorporating collections, disbursements, appropriations, and other cash transactions based on Component estimates, to facilitate the cash management process. This annual plan will be initially developed during the budget process and will be an integral part of the budget document.

d. In addition, components will monitor execution using a monthly phasing analysis of collections and disbursements. This monthly execution review will lead to increased management attention in reducing costs, emphasizing timely billing, collecting revenue, and disbursing.

e. Components must explain variances between cash balances and Accumulated Operating Results. In addition to explaining variances based on operations, components must also explain non-operational events (e.g. transfers or Capital outlays in excess of depreciation expense) that affect cash and reflect them in the Revenue and Expense Statement (Fund 14).

5. A goal of the DWCF is to minimize the use of Advance Billing of Customers to maintain cash solvency unless required to avoid Anti-Deficiency Act Violations. Title 10 USC 2208 (l) requires that the Secretary of the Military Department notify Congress within 30 days after an advance billing is made. **Components must obtain approval** for advance billings **from and** provide a copy of the Congressional notification letter to the Director of Revolving Funds.. By law, advance billings for the Defense Working Capital Funds may not exceed \$1.0 billion in any year.

6. Cash management is an integral part of DWCF activity management. The operational control of actions taken by each DWCF activity, which result in cash disbursements and collections, resides with the Components. Decentralizing cash management provides the Components additional control of and responsibility for their operations. This policy requires that each level of management within the Department participate in the execution of the policy to improve the management of DWCF cash.

B. Operating Budget. The operating budget contains the annual operating costs of an activity or Component, including depreciation and amortization expenses. To minimize costs within activity groups, all goods and services should be purchased from the source that provides them at least cost unless there are other considerations such as mobilization or readiness. Direct, indirect and overhead costs are to be included in the evaluation when comparing costs of organic or commercial sources.

C. Capital Budget

1. The capital budget is that portion of the DWCF budget that justifies the purchase of assets that equal or exceed capitalization thresholds and have a useful life of two or more years. Except for minor construction projects, the capital budget shall include items purchased by a revolving fund with a unit cost that is greater than or equal to \$250,000. The capitalization threshold for Minor Construction is \$100,000. Prior to April 2007, the Expense/Investment threshold for DWCF activities was \$100,000 for all categories.

2. With the exception of major construction and items listed in paragraphs C5 and C9 below, acquisition of all capital assets for use by activities within the Fund will be financed through the Fund. Components shall not use the capital budget to establish a new or expand an existing organic capability except as specifically approved in a capital budget.

3. The legal requirements for the DWCF Capital Budget are found in 10 U.S.C. 2208, paragraphs k (1) and (2), m, and o (1) (b). Specific direction on Minor Construction limitations is found in 10 U.S.C. 2805.

4. The capital budget includes the following types of assets:

- a. Automated Data Processing Equipment (ADPE).
- b. Non-ADPE Equipment.
- c. Automated Data Processing Software, whether internally or externally developed.
- d. Minor Construction.

5. The DWCF Capital Budget specifically excludes the following items, which must be financed by Appropriated Funds:

- a. Major Range and Test Facility Base (MRTFB) Activities Items (equipment and minor Construction) that meet the DoD Investment capitalization criteria for use by MRTFB operating within the fund.
- b. Military and Tenant support functions.
- c. Major Weapons Systems (Aircraft, Ships, Tanks, Barges etc.), and general-purpose passenger type vehicles.
- d. Equipment and minor construction projects purchased to meet mobilization requirements, but not used during peacetime operations.

e. Equipment initially procured and usually furnished as part of a weapons system and/or support system. This includes initial common support equipment for depot maintenance support of new weapons systems.

f. Equipment normally funded by appropriated funds and provided to contractors as Government Furnished Equipment (GFE). The GFE is incorporated into, used in conjunction with, or consumed in the production of, an end product. The customer uses appropriated funds to purchase the GFE and provides it at no cost to the DWCF).

g. Minor Construction projects for non-DWCF activity or military support functions.

h. Construction and facility investment projects that exceed the amount specified in 10 USC 2805 for funding under Operations and Maintenance appropriations.

i. Environmental projects financed or submitted for funding by the Defense Environmental Restoration Account.

j. Capital Investments for Morale, Welfare, and Recreation Activities.

k. Such other exclusions as may be approved by the USD(C).

6. The DWCF Capital budget is subject to congressional approval. The approved budget permits a DWCF Activity to use contract authority to purchase capital assets in advance of having funded orders on hand.

7. The Capital Budget is a separate administrative control of resources subject to the rules of 10 USC 1517, the Anti-Deficiency Act. Therefore, obligations may not exceed the amount approved.

#### 8. Budget versus Accounting Capitalization Guidance

a. There is a difference between the expense/investment threshold established by the Congress and the capitalization threshold established for accounting purposes. The expense/investment threshold determines whether a DoD activity purchases an asset using Operation and Maintenance or Procurement appropriations. This limit also determines whether DWCF activities purchase an asset using the operating budget or the capital budget. For accounting purposes, the capitalization threshold determines when an activity records and depreciates an asset on the financial statement. The two criteria are not the same.

b. Activities will establish DWCF rates using the expense/investment threshold of \$100,000 for Minor Construction projects and \$250,000 for all other capital assets.

c. DWCF activities will record all items purchased using Capital Budget Obligation Authority on the balance sheet and depreciate those assets over their useful lives.

d. For accounting purposes, the capitalization threshold is \$20,000 for Minor Construction and \$100,000 for all other Capital Investments.

e. DWCF activity will record and depreciate on the financial statements assets that meet the accounting capitalization threshold, but not the budget investment threshold.

#### 9. Customer Procurement of Capital Assets

a. Appropriations may purchase Capital Assets for use by a DWCF activity. However, these assets remain the property of the customer and will not be recorded on revolving fund financial statements unless the asset is transferred to DWCF ownership. At the time of transfer, the DWCF activity will record the asset on its financial statements at net book value and depreciate it over the remaining useful life.

b. The appropriate procurement account will continue to fund the purchase and installation costs for the initial procurement of depot maintenance capital equipment unique to newly introduced platforms or weapon systems. The capital equipment becomes the property of the depot when it is transferred to or otherwise capitalized by the depot. The depot will treat the equipment as a capital asset, depreciating it and funding subsequent replacement and maintenance of the equipment in DWCF capital and operating budgets.

10. Volume 4, Chapter 6 of the FMR contains guidance on accounting for capital assets.

#### 11. Depreciation

a. Activities will calculate and accumulate depreciation expenses using the straight-line method. The amount to be depreciated will be decreased by its residual value only if the residual value exceeds 10 percent of the cost of the asset. Depreciation will be applied equally among accounting periods during the asset's useful life based on established depreciation schedules. Volume 4, Chapter 6 contains depreciation schedules for Fund activities.

b. For items in the five year category, a recovery period of less than five years is permitted if the acquiring DoD component is certain that the useful life of the asset is at least two but less than five years. The DoD component must document the reasons for the shorter useful life and may not change the recovery period once depreciation has been started.

c. Software may be depreciated over a period of five or ten years depending on its nature. The Component may also request a waiver and propose an

alternative depreciation period. The determining factor should be the actual estimated useful life of the software consistent with that used for planning the software's acquisition.

d. Upon transfer to an activity group, depreciation for equipment that has preexisting depreciation schedules will be based on the remaining book value plus any associated costs for transportation, installation, and other related costs necessary to put the asset into operational use.

e. Depreciation for capital assets transferred without preexisting depreciation schedules will be calculated based on the net value (original acquisition cost less calculated accumulated depreciation) plus any associated costs for transportation, installation, and other related costs necessary to put the asset into operational use.

f. The DWCF activity will continue to report and depreciate capital assets until the book value of the asset reaches zero or its residual value, as appropriate. Changes in the capitalization threshold will not impact assets already capitalized unless directed by higher authority.

g. These depreciation rules are consistent with Accounting Standards Advisory Board Statement on Federal Financial Accounting Standard No.6.

12. These assets will be funded through the capital budget and their costs will be depreciated according to depreciation schedules found in Volume 4 Chapter 6, subparagraph 060205J, *Table 6-7*. DWCF activities shall derive resources needed to finance DWCF capital assets primarily from depreciation of existing Fund assets by including the estimated depreciation expense in stabilized rates and prices billed to Fund customers. DWCF activities may also include a positive or negative capital purchase surcharge for the increment, if any, to depreciation to fund the replacement of the capital asset.

13. Budget Exhibits. The following exhibits are required to document an activity's capital budget request.

a. Exhibit Fund - 9a, "Capital Investment Summary," represents the summary data of all Equipment, ADP Software, ADP Equipment, and Minor Construction deliverables requested. The exhibit displays data on annual capital cash outlays and depreciation expense. The prior-year column on the 9a will show all amounts approved in the most recent President's Budget, adjusted for actual execution year obligations and reprogramming.

b. Exhibit Fund - 9b, "Capital Investment Justification," provides detailed cost data and narrative justification for each capability listed on the Fund 9a. Each line item on the Fund 9a exhibit will have a corresponding Fund 9b. The exhibit displays the Benefit to Investment Ratio, Savings to Investment Ratio and/or the Payback period. Exhibit Fund-9a and Fund-9b data should agree with, and also should be used for cross-referencing, Exhibit 53 of the Information Technology budget.

c. Exhibit Fund - 9c, "Capital Budget Execution" compares and explains the differences between the most recent President's Budget and the current submission.

14. Capital Investment Project Justification and Backup

a. Each proposed acquisition of a capital asset shall be reviewed to ensure that it satisfies all of the following criteria:

(1) It is more economically feasible to purchase rather than to lease the capital asset. While leasing is not a part of the Capital Purchases Program, it may be appropriate for areas of fast changing technology or when the workload is expected to cease before the end of the program or payback period.

(2) The acquisition of a capital asset meets the Department's long-range planning and programming objectives and results in satisfying a documented need for capability to perform valid operations, functions, or services that cannot be performed as effectively or economically by the use of existing equipment and facilities or by contract.

(3) The acquisition of a capital asset complies with policies and regulations governing the acquisition and management of facilities, special tooling, and special test equipment as established by DoD Directive 4275.5, "Acquisition and Management of Industrial Resources" as well as other applicable policies and regulations governing the lease and acquisition of equipment and facilities.

(4) The workload projections used to justify capital purchases take into account the results of inter-service decisions, workload posture planning decisions, readily available commercial alternatives, and other reasonable options available for accomplishing applicable work load.

b. Capital assets recommended for acquisition shall be those deemed to most efficiently and effectively accomplish the objective for which they are justified. The criteria are: improved efficiency (savings) or effectiveness; required new capability and capacity that cannot be met with current equipment and facilities; replacement of unsafe (locally determined *by an authorized safety representative*), beyond economical repair, or inoperative and unusable assets; and environmental, hazardous waste reduction, or regulatory agency (state, local, or Federal) mandated requirements.

c. Pre-Investment Analysis

(1) A formal pre-investment analysis or a cost comparison is required to justify investment projects for Capital Budget submissions in the four Capital budget investment categories. Either an economic analysis or cost comparison shall be used to support a project substitution or to accomplish a reprogramming request. An economic

analysis shall be used for all projects with a cost of \$1,000,000 and over. A cost analysis will be used for projects under \$1,000,000.

(2) Activities must complete this pre-investment analysis prior to including the capital asset in the capital budget submission, a reprogramming action, or a project substitution. The originating office of the DoD Component shall maintain these analyses as project documentation support for the capital budget submission and program execution.

(3) A cost comparison shall be prepared for investment projects under \$1,000,000. The cost comparison initially shall be prepared in constant base year dollars and shall present a differential cost display by year for up to a six-year evaluation period, beginning with the budget year for which investment funds are requested

(a) Documentation for a cost comparison shall describe the functional process performed; define the need/requirement/objective; identify work load projections; address feasible alternatives; present total costs attributed to each alternative and the differential costs/monetary benefits expected in constant and current dollars over the six-year evaluation period; and provide significant assumptions, constraints, estimating methods, rational, data sources.

(b) Payback period shall be the primary economic indicator used for cost comparisons to rank order within the investment categories of each activity group.

(4) A pre-investment economic analysis shall be prepared to justify capital investment projects of \$1,000,000 or more. The economic analysis shall be prepared on a net present value (NPV) basis and shall comply with applicable DoD or Component guidance and functional program guidance. The economic analysis initially shall be prepared in constant base year dollars and shall present a differential cost display by year over the project's expected economic life beginning with the budget year of the investment fund request.

(a) Documentation shall describe the functional process performed; define the need/requirement/objective; present and explain workload projections; identify feasible alternatives; present total costs and the differential costs/monetary benefits in constant, discounted, and current dollars over the expected economic life of the project; present estimating methods/relationships, and data sources; identify significant constraints, assumptions, and variables; treat sensitivity and uncertainty of key parameters; and address all other quantifiable benefits as well as any intangible benefits influencing the recommended course of action.

(b) Quantifiable benefits are all outputs/results achieved in return for investment dollars associated with an alternative.



(c) Benefit to Investment Ratio (BIR) shall be the primary indicator used to rank order projects of \$1,000,000 or more within the investment categories of each activity group. Also consider the payback period in the ranking process.

(d) Automated economic analysis programs and reports may be used if the programs provide comparable information to that of standard economic analysis reports.

(5) Compute the payback period to compare the period of time, in years, necessary for an alternative to repay its investment cost based on the monetary benefits expected. Present this metric in tenths of years (i.e. 7.2 years.)

(6) Use the Benefit to Investment Ratio (BIR) to compare project alternatives in terms of all expected monetary benefits, inclusive of whole and partial manpower productivity savings resulting from increased efficiency and other cost avoidance achieved over the total project life under evaluation. Calculate the BIR using discounted constant dollars, as an index value and rounded to two decimal places. The value must be greater than one to be cost beneficial. The larger the ratio, the greater the advantage of the project.

(7) Calculate the Savings to Investment Ratio (SIR) between actual savings in terms of funds no longer required and the investment cost for Automated Information Systems, using discounted dollars.

#### 15. Guidance on Software

a. The term “software” includes both operating software and application software. As defined in OMB Circular A-11, software includes systems programs, application programs, commercial-off-the-shelf (COTS) software, independent subroutines, databases, and software documentation. Software that is integrated into hardware and is necessary to operate the hardware, rather than to perform an application, should be budgeted with and capitalized as part of the hardware. Systems application software, however, should be budgeted separately either as an expense or as a capital investment depending on whether it meets the criteria for a capital asset. Systems application software may be acquired through (1) the purchase of COTS system; (2) the development of new applications through either internal development or contractual effort; or (3) the modernization of existing software that significantly expands and/or enhances its existing capabilities.

b. Budget for software development and modernization by project. The full scope of a software development project may consist of efforts in any or all of these phases: (1) Preliminary Design Phase, (2) Software Development Phase, and (3) Post Implementation Phase. While all of these costs are part of the project, only the software development phase is capitalized.

(1) The preliminary design phase consists of conceptual formulation of alternatives; evaluation and testing of alternatives, determining the existence of



needed technology, and final selection of an alternative. This phase consists of all functional actions, including source selection for COTS and all actions prior to Systems Requirements Specification for internally developed software. Expense all these costs as part of the DWCF operating budget.

(2) Software development phase consists of design of a chosen alternative including software configuration and interfaces, coding, and installation of software and related hardware, and testing, which may include parallel processing development of user manuals and training.

(3) Expense the post implementation/operational phase costs of data conversion and application maintenance, including functional training and documentation, operational testing and evaluations conducted after technical acceptance of the software.

(4) These rules are in effect for any system or severable module of a system budgeted for FY 2003 and beyond. These rules are consistent with Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standards Number 10 issued in June 1998.

c. Exclude from the capital budget all costs incurred prior to Milestone 0, Concept Exploration and Definition. Expense costs such as basic research, study, exploratory development establishing feasibility and practicality of proposed solutions, rough order of magnitude estimates, etc. Also expense costs for technical software support and maintenance software support occurring after system installation.

d. Include those software development or acquisition efforts for the benefit of the DWCF activity in DWCF capital budget submissions. Software developed or acquired for a specific customer order should be charged to and reimbursed by the requesting customer. Types of cost to be included in a software development project include total labor and non-labor costs such as: (1) all direct costs for civilian and military personnel; (2) contractor labor; (3) supplies; (4) travel; (5) processing support for testing; (6) indirect costs; and (7) general and administrative costs (e.g., base operations support, higher headquarters, and depreciation for central design activity-owned assets).

e. Software projects may be accomplished in modules. A module is an application that may be operated or used independent of other modules within a system. Where an entire system consists of more than one severable module, request funding for each severable module in the year the module is started. Funding requests shall be sufficient to complete the module. If several modules make up a complete ADP system, show the cost of all modules related to the system.

f. Separately identify ADP equipment and ADP software in the capital budget.

g. Software development and modernization costs incurred by Fund Activities for projects installed and operational after October 1 of a specific fiscal year will be depreciated beginning in the month the project is installed and operational (even though it may not be used in operations that month). Depreciate incremental deliveries of these projects if the cost of the delivery exceeds \$250,000.

h. In accordance with the Ronald W. Reagan National Defense Authorization Act for FY 2005 and Department of Defense policy, modernization and enhancement to a system that costs more than \$1 million must be approved by the Investment Review Board and the Defense Business Systems Management Committee prior to obligating funds.

16. Guidance on Minor Construction

a. Minor construction projects costing more than \$750,000 shall be funded within the Military Construction appropriation. Exceptions to this limitation are noted in the following paragraph.

b. Effective in FY 2002, 10 U.S.C. 2805 was amended to increase the threshold for unspecified military construction projects funded by the Fund and intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening up to \$1,500,000. However, projects that have an estimated cost that is greater than or equal to \$100,000 must be approved in writing by the Director for Revolving Funds and separately identified in the Component's Annual Operating Budget. Reprogramming thresholds identified in paragraph 090103.C.11 still apply.

c. In 10 U.S.C. 2805(d), Congress authorized a DoD Laboratory Revitalization Program that increases from \$1,000,000 to \$2,000,000 the upper ceiling for certain minor military construction projects at DoD laboratories. The authority is not permanent, but is subject to periodic Congressional extension. Laboratory Revitalization Program projects must be for the revitalization and recapitalization of Defense laboratories owned by the United States and under the jurisdiction of the Secretary of Defense or of a Military Department. Fund activities designated to participate in the DoD Laboratory Revitalization Program must obtain prior OUSD (Comptroller) approval for all projects estimated to cost over \$100,000 so that those projects can be specifically identified in the capital program within the AOB prior to project execution. Reprogramming thresholds for the capital asset program identified in paragraph 090103.C.11 apply.

d. Capital investment costs financed in the minor construction portion of the capital budget include project planning and design costs associated with minor construction projects. Planning and design costs are not included as part of the statutory threshold for minor construction projects. Identify the amount of planning and design funds separately from individual projects in the Budget Estimates Submission.

### 17. Reprogramming Guidelines

a. Each Component may reprogram capital funds between activity groups by categories or projects within an activity group, and between operating and capital budgets. There is no minimum or maximum limit on this type of reprogramming. Except as noted below, capital reprogramming requires the written approval of the Director of Revolving Funds.

b. The following approval levels and dollar threshold apply to changes to projects approved in the capital budget including re-programming, substitutions, cancellations and additions:

(1) All current year adjustments or changes to information technology capital projects that are greater than \$999,999 must be endorsed by the Defense Business Systems Management Committee (DBSMC) and approved by the Director of Revolving Funds. Do not submit changes or adjustments for these projects to the Director for Revolving Funds without certification from the approval authority as directed in the guidance and instructions displayed in the “system compliance” section of the DBSMC website, [http://www.defenselink.mil/dbt/tools\\_certification.html](http://www.defenselink.mil/dbt/tools_certification.html).

(2) Fund managers may approve transfers between categories or among their activity groups if the change is less than \$3,000,000. Notify the Director for Revolving Funds so that these changes may be documented in the activity group’s Annual Operating Budget document.

(3) Charge capital obligation adjustments to the program year cited in the President’s Budget for the original project. The prior year capital investment program limitation is equal to actual obligations at September 30 of that fiscal year plus adjustments approved by the Director for Revolving Funds to the prior year program. Fund managers may request approval to carryover authority for any unobligated capital projects before the end of the fiscal year,.

(4) Capital obligation authority can be adjusted for prior year within-scope increases provided the unobligated balance in the prior fiscal year capital program is sufficient to finance the increase. The Director for Revolving Funds must approve prior year within-scope increases. The request should propose, when possible, equal offsetting reductions to the current year capital authority to finance the prior year increase.

18. Capability Based Budgeting. Budgeting for capabilities differs from the standard specific budgeting historically performed by the Department. In capability based budgeting, the Department identifies requirements to be met rather than precisely specifying the means to meet the requirements. It allows for a degree of uncertainty that is to be resolved later in the design process. It is particularly pertinent to information technology equipment and software. Current information technology control processes involve defining the architecture of the required function or product, with defined requirements, but without overly

specific detail of how to accomplish the function or process. DWCF Capital programs may use capability based budgeting.

D. Mobilization/Surge Costs and War Reserve Material

1. Mobilization capability costs include the costs to maintain a surge capacity, to procure and maintain approved war reserve material levels, and/or to maintain other assets, functions, or capabilities required to meet an operational contingency as documented in Defense planning guidance or operational plans.

2. At DWCF businesses, all costs related to maintaining a capacity to meet mobilization requirements will be reimbursed by direct appropriations and will not be financed through customer rates.

3. War Reserve Material. Obligations for war reserve material will be funded by a direct appropriation to the Fund or after notification to Congress. Such appropriated amounts for secondary items shall be reflected as a separate goal within the applicable Supply Management or Commissary Resale activity group AOB. Use the SM-6 War Reserve Material exhibit to justify War Reserve Material Requirements.

4. Unutilized and Underutilized Plant Capacity

a. Unutilized Plant Capacity (UPC) represents costs associated with maintaining facilities to meet necessary surge capacity due to mobilization or war. UPC is a mobilization requirement budgeted in and funded by Operation and Maintenance appropriation funds of the DoD Component responsible for the activity's management. Do not include UPC costs in the DWCF rate structure. As a general rule, UPC funding includes the pro-rata facilities support costs for any month in which mobilization facilities are not used, or are used 20 percent or less of available work days.

b. Mobilization Program expenses related to UPC may include both maintenance and labor costs related to the Program.

c. Each non-Supply Activity Group will prepare an UPC Budget Exhibit (Fund – 30). This exhibit documents activity group total capacity, Unutilized Capacity Index, and justification and cost used in developing the request for UPC. All non-Supply Activity Groups will complete the three capacity-index metrics found in Part I of the exhibit. Any non Supply Activity Group requesting UPC funding will also complete the funded UPC line in Part I and the UPC justification in Part II of the exhibit.

5. Industrial Mobilization Costs. The Army has established a category of costs that includes both UPC and underutilized facilities cost called Industrial Mobilization Cost. The Army will use the same UPC exhibit Fund-30 to justify their IMC costs.

6. Airlift Readiness Account (ARA). The United States Transportation Command (USTRANSCOM) must maintain sufficient airlift capability to

respond to transportation requirements for a wide variety of mobilization conditions. To the extent customer revenue is insufficient to support the costs of maintaining this capability, the Air Force will provide appropriated funds. USTRANSCOM will record this funding as an order and as revenue in its financial reports. This requirement exists in both peacetime and contingency environments. USTRANSCOM must submit the Fund 8b exhibit to justify the ARA requirement.

7. Reserve Industrial Capacity (RIC). The Military Surface Deployment and Distribution Command (SDDC) shall plan for and maintain a Reserve Industrial Capacity (RIC) to transport personnel resources, material and other elements required to satisfy a mobilization requirement. The SDDC will also plan and program with the Army for 100 percent of the operating cost at Military Ocean Terminal, Concord (MOTCO). The Military Ocean Terminal, Sunny Point (MOTSU) RIC and the operating costs at MOTCO are a mobilization requirement funded by appropriated funds from the DoD Component having management responsibility for this activity. USTRANSCOM will record the receipt of this funding as an order and as revenue in its financial reports. This requirement may exist in both peacetime and contingency environments. SDDC will provide a detailed break out of these costs in its budget submission to OUSD (C).

E. Military Personnel

1. Since the majority of military personnel at DWCF activities are there for reasons other than DWCF business requirements (e.g., mobilization, rotational training, command opportunities), the full cost of military personnel should not be included in the DWCF cost of operations or customer rates. Therefore, components will use the civilian equivalent rates provided by the OUSD (Comptroller) to price military labor at DWCF activities. The difference between the civilian equivalent costs, included in the DWCF budget, and the actual military personnel cost will be budgeted directly in the appropriate military personnel appropriation. The number of military included in the budget will be the average strength of military assigned to the DWCF business. The budget amount will equal the average strength multiplied by the civilian equivalency rate for each grade. The average strength for the budget year(s) will be calculated using the average fill rate for the three prior years. The fill rate is calculated by dividing actual average strength by the authorized strength for each grade. No adjustments will be made to the DWCF cost of operations to reflect the actual cost of military personnel employed by DWCF activities.

2. The amount expensed for military personnel by DWCF activities and the amount reimbursed to the appropriate military personnel appropriation will be the same as the amount budgeted. No adjustments will be made to the DWCF cost of operations to reflect the actual cost of military personnel employed by DWCF activities. Military Departments having military personnel assigned to other Components will provide to each Component the number of work years that should be included in the DWCF budget submission.

3. The civilian equivalent costs are provided by the OUSD (Comptroller) and are calculated as follows: (a) Use the current Generic (Rest of U.S.) General Schedule of civilian pay rates, step 5 or Executive Service pay rates of the equivalent grade.

(b) Multiply the amount in (a) by the average civilian personnel fringe benefits factor applicable to the Military Services and Defense Agencies. Exclude the amount for unfunded civilian retirement in the fringe benefits percentage factor. (c) Multiply the amount calculated in (b) by any proposed civilian pay raises effective in future periods to arrive at total civilian costs. Civilian personnel fringe benefit rates and military composite rates are provided by the OUSD (Comptroller).

4. See Volume 2A, paragraph 010218 for military personnel pricing policy.

F. Full Recovery of Costs and the Setting of Prices

1. Managers of most activity groups within the Fund are required to set their prices based on full cost recovery, including all general and administrative support provided by others. Prices are established through the budget process and (except for unusual circumstances) remain fixed during the year of execution. This stabilized rate policy serves to protect customers from unforeseen inflationary increases and other cost uncertainties and better assures customers that they will not have to reduce programs to pay for potentially higher-than-anticipated prices. In turn, this policy allows activities to execute the budgeted program level and permits a more effective use of Fund resources. Prices for sales by depot maintenance activities to private sector entities in conjunction with public-private partnerships may be established as described in paragraph 090105.

2. Except in unusual circumstances, prices for the budget year will be set to breakeven over the long run. This means that prices will be set to achieve an Accumulated Operating Result (AOR) of zero in the budget year. In budget execution, activity groups will record either a positive or negative operating result. Accordingly, prices in the budget year will be set to either make up actual or projected losses or to return actual or projected gains.

3. An activity group may request recovery of AOR variances outside the budget year. This request must be included in the budget submission, and must demonstrate that the alternative recovery period will not adversely affect the cash balance of the activity group. A phased recovery schedule must be provided with the budget. The Director for Revolving Funds will provide final approval for any alternative AOR recovery plans.

4. Special Circumstances: DWCF rules for pricing and operating loss recovery or gain distribution may be waived if one or more of the following conditions exist.

a. Fund Liquidity: Fund managers are required to maintain a monthly total fund cash balance between 7-10 days of operations (plus 6 months outlay for capital purchases). However, several factors could cause the Funds to operate outside the target area. Therefore, to prevent the buildup of excess cash balances, or ensure fund solvency, the Director for Revolving Funds or Fund managers, with the written permission of the Director for Revolving Funds, may direct out of cycle rate adjustments at any time during the fiscal year.



b. Depot Maintenance Additional Requirements: As long as Fund cash balances are within targeted levels (between 7-10 days of operations (plus 6 months outlay for capital purchases), depot maintenance activities will recoup losses and return gains in the budget year. However, if cash balances are outside the target area, the Director for Revolving Funds or Service Fund managers, with the written permission of the Director for Revolving Funds, may direct out-of-cycle rate adjustments or surcharges at any time during the fiscal year to restore cash to the targeted levels. Also, unplanned depot losses recouped in subsequent years may be financed with prior year funds, provided all other criteria associated with prior year upward obligations are met.

c. Contingency or Emergency Operations: Fund managers may waive DWCF pricing and financing requirements to facilitate Department operations during times of war or other national emergencies. DWCF activities must provide written notification of Fund Managers' actions to the Director for Revolving Funds within 30 days of the event.

d. Impact Of Foreign Currency Exchange Rates: DWCF activity groups operating overseas may experience significant operating losses or gains due to changes in foreign currency exchange rates. While these operating losses and gains are normally recovered or returned through stabilized rate adjustments in budget years, fund managers may propose out-of-cycle rate adjustments to the Director for Revolving Funds to address such losses and gains in execution. DWCF activities are not eligible to participate in the Foreign Currency Fluctuations, Defense (FCF,D) (97-X-0803) and the Foreign Currency Fluctuations – Construction, Defense (FCF-C,D) (97-X-0801) accounts themselves. However, customers with foreign currency fluctuation account access may use funding made available through that account to process the bills/refunds (subject to availability of the FCF account funding to pay for such losses) if the DWCF activities are able to, first, provide documentation to their customers (and DFAS, as appropriate) that shows the exact amounts of operating losses or gains caused by changes in foreign currency rates for the specific goods and services purchased by the DWCF activities on behalf of those customers and, second, bill or refund those same amounts to customers. In calculating any gain or loss from foreign currency fluctuations, the DWCF must use the foreign currency exchange rates published as part of the Department's budget justification materials submitted to Congress in support of the President's budget request and follow applicable procedures in FMR Vol. 6A, Chapter 7.

#### 5. Non-Organic Contract Costs

As stated above, DWCF policy requires that Components budget for total costs incurred for activity groups. Thus, Components' prices will include contract costs for effort funded at a DWCF activity group by the customer but performed by contractor (non-organic effort). The prices charged to the customer will also recover all costs associated with contract award and administration.

#### 6. Unbillable Expenses and Operational Losses

Expenses that cannot be billed to an identifiable customer or that were generated from unforeseen cost overruns are to be treated as expenses in the fiscal year in which

the costs were incurred. The resulting operating losses shall be included in calculating net and accumulated operating results.

7. Rate Stabilization

Unless approved in writing by the Director for Revolving Funds, the prices set for all activity groups' products, goods, or services will match the rate changes approved during the budget review.

G. Reimbursement for Contingency Operations and Humanitarian Efforts

1. Users pay for the goods and services provided by all WCF business areas, including deployment or other emergency response for military or humanitarian assistance.

2. Customers of the DWCF are required to reimburse DWCF activities in a timely manner (usually within 30 days). Except in contingency operations or national emergencies, DWCF activities should not provide goods or services without a properly executed funding document. The Military Department Headquarters is responsible for determining which level within the Military Department will pay (that is, the unit, major command, or Military Department level). This process also applies when a Unified Combatant Command tasks a Service-funded unit to perform a mission, such as transportation of military personnel or equipment by USTRANSCOM. The Military Department that controls the equipment or personnel is responsible for payment of costs incurred to accomplish the mission.

3. Consistent with this policy, third party collections for transportation provided in response to a Request for Assistance (RFA) from another government agency are prohibited. The Military Department that controls the equipment or personnel is responsible for reimbursing USTRANSCOM. It is then the responsibility of the Military Department that accepted the RFA to collect any required reimbursements due that Military Department by the requesting government agency.

4. The sole exception to this policy occurs when the USTRANSCOM receives an order from the Joint Chiefs of Staff requiring transportation of non-U.S. owned equipment and/or non-U.S. personnel such as un-reimbursed efforts in support of the United Nations. In those instances, the Army will pay Surface Deployment and Distribution Command (SDDC) costs, the Navy will pay Military Sealift Command (MSC) costs, and the Air Force will pay Air Mobility Command (AMC) costs. Bills may be centralized for more convenient processing if appropriate; however, billings shall be forwarded to the appropriate Military Department within 30 days from the commencement of service or humanitarian effort. The Military Departments must pay these bills, including transportation bills, in a timely manner.

5. This guidance does not address any contingency operation designated by the Secretary of Defense as a "National Contingency Operation" under the provision of the United States Code Title 10, Section 127. Special rules apply for such an



operation and those rules should be promulgated separately in conjunction with any designation by the Secretary under the provisions of that section.

#### H. Base Realignment and Closure (BRAC)

1. BRAC Costs - Costs incurred in implementing the recommendations of the Base Realignment and Closure (BRAC) Commissions will be funded by the appropriate BRAC account and are not to be included in the rates and costs of businesses within the Fund. DWCF activities may incur Base Realignment and Closure expenses prior to receiving an allocation of BRAC funding; however, all costs properly charged against the BRAC account must be reimbursed with BRAC funds. DWCF activities may not expend funds prior to complying with the notification requirements imposed by law with respect to the obligation of BRAC funds. The BRAC account must reimburse all costs incurred by DWCF activities to carry out BRAC prior to the end of the fiscal year in which costs were incurred. Prior year, current year, or budget year operating losses in DWCF are not to be budgeted in the base closure accounts. Costs attributable to base closure actions at DWCF activities to be budgeted in BRAC may include:

a. BRAC directed reductions-in-force, separation incentives, plant closures, plant layaway or custody costs or other BRAC related expenses, such as all costs not associated with a valid work order during the year of closure.

b. Environmental Restoration and Mitigation. This includes reducing, removing, and recycling hazardous waste, and removing unsafe building debris.

c. Planning. Conduct of such advance planning and design as may be required to transfer from an activity being closed to another military installation.

d. Outplacement Assistant. Assistance in relocation, training, or other necessary assistance to civilian employees employed by the Department at installations being closed.

e. Community Programs. This includes economic adjustment assistance to a community in which the closed base is located, or community planning assistance to the community to which functions will be transferred as a result of closure of a military installation.

2. BRAC and DWCF Rates. Overhead, not specific to BRAC and not in support of producing goods or services for customers, will be financed in the year the costs are incurred with the Components' Operation and Maintenance (O&M) appropriations. DWCF losses occurring in years prior to closure will be recovered through the rate structure to the extent that there are new customer orders. When there are no new customer orders in the budget year, the Military Department or Component responsible for the activity incurring the loss will finance, as a passthrough from O&M appropriations to the DWCF, all overhead not included in rates supported by ongoing work or prior year losses to be recovered in the budget year. All costs at a closing activity in the year of closure that are not associated with a valid work order or

are not valid BRAC costs are O&M costs and must be budgeted in the fiscal year when they will be incurred. BRAC costs are defined in the paragraph above.

3. BRAC Related Permanent Change of Station (PCS) Moves for Defense Working Capital Fund Activities (DWCF). Costs incurred to recruit and hire civilian personnel (including associated PCS costs) to fill vacant positions at an activity that is being transferred from a closing or realigning installation to another military installation in accordance with a BRAC recommendation may properly be considered BRAC costs under the Base Closure and Realignment Act of 1990. As a matter of Department policy, however, BRAC funds will not be used for such costs except in the case of DWCF activities, which may temporarily charge such costs against the DWCF, provided the DWCF is reimbursed with BRAC or O&M funds by the end of the fiscal year in which the costs are incurred.

I. Funding of Civilian Voluntary Separation Incentive Program

The Fund will finance and include costs in stabilized rates for civilian separation incentive requirements of assigned employees unless they must be offered as a result of directed BRAC action, in which case the appropriate BRAC Account will fund the civilian separation incentive.

J. Base Support

DWCF activities that use any of the services as listed in Exhibit Fund-22 must reimburse host activities in accordance with DoDI 4000.19 (Inter-service and Intra-governmental Support) to the extent that the specified support for the DWCF activity increases the host activity's direct costs. Costs for DWCF mission products and services (e.g., depot supply, depot maintenance, facility engineering services, information processing, communications, and software development) shall be based on the approved stabilized rate. Other support incidental to the DWCF activity's primary mission or purpose shall be budgeted based on direct costs measurable and directly attributable to the DWCF activity (incremental direct cost). Only the incremental change in cost attributable to the DWCF activity (incremental direct cost) shall be chargeable to the DWCF activity. Indirect costs are not to be included as a cost to the DWCF activity. The cost of operations budgeted for these services either as a host or tenant activity should be noted by activity group in Exhibit Fund-22 (Summary of Base Support) that is provided to OSD/OMB with the fall budget submission.

K. First Line Supervision

First line supervision is that level immediately over non-supervisory workers. First line supervisors and above are official supervisory positions and, when acting in a supervisory capacity, their labor costs shall always be budgeted and charged as an indirect cost of the cost center supervised. Crew chiefs, snappers, team leaders, and other subordinate job leaders are not considered first line supervisors. Volume 11B, Chapter 63, paragraph K contains additional information related to charging labor costs.

L. DWCF Management Headquarters Costs

1. A DWCF management headquarters is a discrete organization or part of an organization that has authority over the management of the DWCF activity group. OSD and Service Departmental activities normally do not have this direct responsibility. All the major systems/logistics organizations in the Services include headquarters elements directly supporting DWCF activities that should be funded or reimbursed by DWCF activity groups.

2. Costs for discrete DWCF management headquarters organizations and parts of organizations that perform direct DWCF management headquarters functions can be financed directly in the DWCF or reimbursed by the DWCF activity (whichever is more practical). Only costs that exceed \$1 million or 1 percent of the total activity group costs should be reimbursed. In addition, significant costs for common support functions, such as counsel or personnel services, at organizations partially funded or reimbursed by DWCF (i.e. that has direct DWCF management responsibilities) can be allocated, if feasible.

M. Dual Funded Organizations

1. A dual funded organization is an organization that is funded (including reimbursable funding) by both the DWCF and other appropriations or accounts. In those instances where a function is funded with a combination of both DWCF and appropriated funds, the function initially will be funded in its entirety either by the DWCF or by appropriated funds. The determination of whether the particular function initially is to be funded by the DWCF or by appropriated funds will be based on the predominance of definable units of measure for the function--e.g., work load, productive hours, outputs, or ultimate use. The part of the organization (or funding source provided) initially funding the function shall be reimbursed for appropriate amounts by other parts of the organization (or financing sources or customers) involved. Reimbursement and the allocation of costs between the provider and customer shall be made based on the same unit of measure--e.g., work load, productive hours, outputs, or ultimate use--as was used to determine which organization or funding source initially funded the applicable costs; and the amount of reimbursement shall be determined based on the relative portion of that unit of measure attributable to each part of the organization or funding source involved. Notwithstanding this policy, the amount of reimbursement for base support services provided by the DWCF to tenant activities shall be determined in accordance with the policies in paragraph 090103.K and DoDI 4000.19.

2. For example, if the part of an organization that is within the DWCF accounts for 60 percent of the unit of measure for a function shared with the part of the organization funded through appropriated funds, then the DWCF portion of the organization initially would fund all of the costs of performing that function. However, the applicable part of the organization funded through appropriated funds would reimburse the DWCF for, and be allocated, 40 percent of the costs.

3. When a capital asset purchased by the DWCF is also used by the appropriated fund part of the organization, the Fund activity will capitalize the capital asset and

bill the appropriated fund customer for the use of the capital asset. Such billings will use a stabilized rate that recoups both depreciation and operating costs.

4. When a capital asset purchased by an appropriated fund part of the organization is also used by the DWCF part of the organization, the appropriated fund side will capitalize the asset and bill the DWCF for operating costs only. Appropriated fund activities do not bill DoD activities for depreciation of capital assets.

N. Revenue Recognition

1. DWCF activities must recognize revenue and associated costs in the same accounting period. There are two types of customer orders: (1) end-product (end-item) type orders which, at the completion of the customer order, produce a usable end-product (an overhaul, repair, manufacture, construction, modification, etc.); and (2) service type orders which provide a service over a specified period of time. Revenue must be recognized in the same manner (that is, a standard policy for recognizing and reporting revenue must apply) for all activities within a DWCF activity group. The policy varies based on the type of customer order, the length of time necessary to complete the order, and the value of the order; however, non-Supply DWCF activities must use the "Percentage of Completion Method" for revenue recognition. The amount of revenue recognized cannot exceed the amount specified in the order.

2. It is important that revenue recognition procedures include gain and loss recognition in the same period in order for the activity group managers to evaluate the performance of an organization. The revenue recognition policy does not encompass or establish policies for billings to customers or payments from customers.

3. DoD Financial Management Regulation (DoD 7000-14R), Volume 11B, Chapter 11 provides specific revenue recognition guidance by DWCF activity group.

O. Customer Workload Changes

1. When a work order or project is canceled or reduced in scope after a DWCF activity has commenced work or incurred costs, the activity shall charge the customer for the costs incurred, plus the applied overhead (that is indirect and other normally allocated overhead (G&A) costs), plus costs associated with the cancellation or reduction.

2. DoD 7000-14R, Chapter 1, paragraph 010223, provides specific guidance for the types of directly associated cancellation or reduction costs that can be charged to customers.

P. Extraordinary Write-offs. Extraordinary write-offs of losses, chargeable against Accumulated Operating Results in accordance with accounting policies, shall not be recovered through increases in customer rates in the following circumstances: losses resulting from the disposal or divestiture of capital budget items that have not been fully depreciated at the time they are taken out of service due to BRAC action; gains from customer returns without credit; or losses associated with systematic inventory reductions by disposal of assets associated

with force drawdowns. All such extraordinary write-offs will be separately identified in the Component's budget submission using the appropriate exhibits (ex Fund SM-5B, Fund-14, Fund 26). Budget documentation will include an explanation that cites the fiscal year, the action which precipitated the divestiture action, the basis of the proposed write-off, and the dollar value. Components must receive written approval from the Director for Revolving Funds before requesting the accounting adjustment from DFAS.

Q. Below-the-Line Adjustments. Activities may use below-the-line adjustments to adjust for cash transfers that are not directly related to operational performance. This adjustment will be used when the cash position does not support returning or collecting operational performance. Components must receive written approval from the Director for Revolving Funds before requesting the accounting adjustment from DFAS.

R. Funding policies reflecting relationships with, and requirements of, other appropriations are provided in Chapter 1, Section 0102.

090104. Rate Setting in the Activity Groups

A. In accordance with paragraph 090103, stabilized rates reflecting full costing will be set during the budget process for all activity groups. The Fund categorizes activities in two groups for rate setting purposes.

1. Supply Management Activity groups. Use commodity costs in conjunction with a surcharge to establish customer rates (see paragraph 090203 Supply Management).

2. Non-Supply Management Activity groups: Depot Maintenance, Research and Development, Transportation, Distribution Depots, Base Support, and all other activity groups establish unit cost rates based on identified output measures or representative outputs such as a cost per direct labor hour, cost per product, cost per item received, or cost per item shipped. These activity groups establish both their output rates and the stabilized customer rates through the same general process. An example of this process is described below, and a more detailed explanation is provided in paragraph 090204.

B. Definitions and Procedures

1. Stabilized Rate. The stabilized rate is the cost per direct labor hour (or other output measure) customers are charged for the products and services provided by the depot or activity group. Activities establish stabilized rates for the fiscal year(s) budget being formulated during the budget review process. The stabilized rate is determined by adjusting the approved Direct Labor Hour rate (or other cost per output measure) for the budget year for both inter-Fund transactions (adjustments to reflect changes in the costs of purchases between activity groups within the Fund) and the impact of prior year gains or losses as reflected by the AOR. Activities will charge this annual stabilized rate for all new customer orders received and accepted during that specific fiscal year, regardless of the fiscal year the work is actually executed and billed.

2. Stabilized Rate Exceptions. See paragraph 090105 for guidance applicable to the sale of goods and services to public-private partnerships by DoD depot maintenance activities. For more specific guidance and for exceptions to this policy see paragraph 010219B or 090103H. In Supply Management, customers are charged the stabilized price in effect when the item is dropped from inventory.

3. Rate Change. The annually published rate change for activity groups is the percentage change of the stabilized rate or price between fiscal years. As an example, for depot maintenance, the budget year rate is determined by dividing the approved Direct Labor Hour rate proposed for the budget year by the stabilized Direct Labor Hour rate in effect for the current execution year. That value, expressed as a percentage (plus or minus from a base of one), is the composite price change rate customers will use in their appropriated funds submissions.

C. Budgeted Rates. OUSD (Comptroller) will review and approve all final rates and prices developed for the President's budget submission during the Budget Review. The Components' budget estimates will develop the rates charged to customers to recoup all costs associated with the Activity group operating and capital budgets including all labor and non-labor, direct, indirect, and general and administrative overhead costs. In addition, components will include any cash factor to maintain cash solvency or return cash balances in excess of need. Following the determination of required costs, the proposed rate structures will recover the costs of executing the Components' planned support program. During budget formulation, Components may propose more detailed rates that break out overall composite rates by activity or product line within an activity group. If approved, the Components will use these rates in final budget development and execution. Components will make corresponding adjustments in appropriated customer account budget requests to ensure the customer and Fund business budgets are in balance.

D. Alternative Rate Development. Components may propose methods other than the traditional rate per direct labor hour for recovering the cost of operations. Any alternative pricing methods must be fully documented and justified in the Components' Program and Budget Review. Any new method must demonstrate recovery of all operating costs, provide a comparison of the current method to the method proposed, show the impact to customer funding requirements, and provide a timeline for implementation. Any change in rate structure must be approved in advance by the OUSD (Comptroller) and documented in the appropriate activity group's Resource Management Decision.

E. Budget Formulation Rates and Prices. Activities will establish rates in a multiple step process as described below:

1. Each Service or DoD Component managing an activity group should carefully review all projected costs for all operations projected for the fiscal year, and propose the most cost-efficient operation possible.



2. Customer requirements must be projected to include all anticipated workload programmed for accomplishment during the budget year based on identified outputs such as direct labor hours by product, tons shipped, line items received, and all other approved output measures for each activity group.

3. Components will include adjustments required to comply with OSD and OMB guidance on the impact of inflation, projected pay changes, and other programmatic and policy changes in developing proposed rates.

4. Components will propose costs, program levels, and rate changes by activity group in their budget estimate submissions. Components may propose exclusion of customer unique, non-labor direct costs from the stabilized rates, and charge these costs on an actual cost reimbursable basis. Components should show the impact the change in rates structure would have on overall stabilized rates. The OUSD(Comptroller) provides final approval of any rate structure proposal in the budget process.

5. Final approved costs, program levels, and rate changes will be established by Decision documents, after adjustments required to balance changes to customer funding with anticipated Fund costs, inter-Fund sales and transactions, and adjustments for NOR to bring Accumulated Operating Result to zero for the Budget Year for each activity group. Exceptions to this policy are found in paragraph 090103H.

F. Financing of Extraordinary Depreciation. Alternatives exist for financing sunk costs when activities terminate capital investments before a project is completed. These costs may be funded through one-time charges to operating costs or through direct appropriation. If charged to operating costs and depending on the size of the charge, the loss may be recovered through rates over a two-year period. If a usable product is produced, even though it is less than the planned product, costs may be reasonably assigned to that product and those costs may be appropriately recovered through depreciation.

#### 090105. Public-Private Partnerships at Depot Maintenance Activities

A. Public-private partnerships are agreements between organic depot maintenance activities and private industry or other entities to perform work and/or to utilize facilities and equipment. Partnerships improve utilization of DoD facilities, equipment, and personnel and enhance support to the war fighter. To advance the goal of increased partnering between DoD and private industry, this section provides guidance for the pricing of Working Capital Fund depot maintenance goods and services to private sector entities in partnering arrangements. Conditions for the sale of goods and services to non-DoD entities must be based on specific statutory authority.

B. In accordance with the authority granted to the Secretary of Defense by 10 USC §2208(h) to prescribe regulations governing the operation of WCF activities and the use of inventories, this guidance is intended to clarify existing legal authority applicable in certain specific circumstances. The guidance set forth in this section:

1. May not be used to compete for non-defense related work.
2. Does not apply when otherwise precluded by public law.
3. Does not apply to products or services produced under work-share arrangements in which a DoD sponsor assigns work and separately funds the DoD depot maintenance activity and the private sector entity.
4. May be used for sales to private sector entities only when the transaction is part of an arrangement that is officially recognized as a depot maintenance public-private partnership.

C. Sales Prices

1. In order to minimize potential DoD operating losses or gains, sales prices to private sector entities in depot maintenance public-private partnership relationships may be tailored to the most recent actual and projected costs, rather than the approved stabilized billing rates charged to DoD customers.
2. Tailored rates or prices charged for sales to private sector partners, if used, shall ensure full cost recovery for the work involved in producing the specific products and services. Such tailored rates and prices shall include: (a) all direct costs, (b) production or shop overhead costs that contribute to the final product and (c) a full allocation of General and Administrative (G&A) overhead costs, distributed on the same basis as for DoD customers. (Since G&A overhead costs cannot be attributed to specific products or services, there is no basis to include or exclude specific items of cost from prices charged to customers.)
3. Exceptions to Working Capital Fund pricing policy for sales to private sector parties in depot maintenance partnership arrangements, as addressed in subparagraphs 1 and 2 above, do not change the requirement that sales prices include unfunded costs, as prescribed in Volume 11B, section 110109, paragraph B.

D. Fixed Pricing

1. Sales of DoD goods and services to private sector entities on a fixed price basis are authorized when the work is well defined and there is a reasonable basis upon which to predict costs. This mirrors private sector practice, improves the ability of private sector partners to predict production costs, and serves to constrain unit cost by more fully utilizing the production capacity of DoD maintenance depots. Cost reimbursable pricing is appropriate when future production costs cannot be reasonably predicted.
2. Multiyear fixed price agreements are authorized when future production costs can be reasonably predicted and the potential for future operating losses and gains are minimal. Prices may be fixed at a predetermined level taking into account future year escalation factors like pay rate changes, general inflation, and the number of units produced. Multiyear fixed price agreements may also incorporate other pricing techniques such as



establishment of a base price with provisions for economic price adjustments to accommodate inflation.

E. Advance Payment. When appropriate to the scope of, and risks associated with, a prospective contract, the DoD partner may elect to accept incremental advance payments.

090106. Military Clothing Items and Individual Equipment

A. The Defense Logistics Agency (DLA) Supply Management activity group procures military clothing requirements in the DoD, and bills users at standard prices. This includes uniforms, combat equipment, tents, tool sets and kits, hand tools, and cleaning equipment and supplies. The Military Services shall include the costs of new clothing bag items in the military personnel appropriation budget request and new organizational items in the operation and maintenance appropriation budget request. A replacement item shall be deemed a new item for the purposes of this policy if the cost of a replacement item exceeds the cost of the prior item by more than 10 percent in constant dollars.

B. The military personnel appropriation budget and the operation and maintenance appropriation budget should be sufficient to fund the quantity of the initial buy of an item of clothing including the establishment of wholesale inventory levels. New clothing items required prior to receipt of appropriated funds shall be funded in these same accounts by reprogramming action.

090107. Preparation of Materials

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 9 provides additional specific guidance with regard to the back-up material required for the Fund and other unit cost budget areas.

090108. References

Chapter 1 provides funding policies to be adhered to include those that impact other appropriations and accounts. Chapter 2 provides guidance related to Military Personnel costs. Chapter 3 provides guidance related to Operation and Maintenance costs and Chapter 8 provides guidance related to Real Property Maintenance and Minor Construction.

0902 PROGRAM AND BUDGET REVIEW SUBMISSION

090201. Purpose

This section provides guidance for preparation and submission of program and budget review and execution review estimates for the Defense Working Capital Funds (DWCF).

090202. General

A. Copies. Numbers of copies of the required materials to be submitted with the annual budget estimates are identified in Chapter 1. The electronic version of individual

activity group budgets will be available for download from the Component's website; a copy will be made available to the OUSD (Comptroller) Program and Financial Control Directorate. OUSD (C) will notify Fund Managers if additional copies are required. OUSD (C) and the Office of Management and Budget hold joint budget execution reviews quarterly (or more frequently if required).

B. Classification. The DWCF justification books prepared by the Components are to be unclassified. Submit any classified exhibits under separate cover.

C. Formats. Exhibits will be submitted on 8-1/2 x 11-inch paper, with 3 holes punched along the 11-inch side. Minor variations in format to facilitate automation must be approved by OUSD (Comptroller) prior to September 1. Provide written request for variations to the Director for Revolving Funds no later than August 1. The response to the request will be forthcoming within 10 working days.

D. Automated Requirements. Consistent with the guidance contained in paragraph 010506, the DWCF budget estimates will be entered into the Comptroller Information System (CIS). CIS entries are in obligations.

1. DWCF Operating Budgets will be entered into the CIS as new obligations. However, the hard copy submission should reflect costs with a correlation provided of the relationship between obligations and cost.

2. DWCF Capital Budgets will be entered into the CIS as obligations regardless of program year. Do not enter into the CIS the program year totals. However, the hard copy submission should reflect the full costs of the project or item with Exhibit Fund-9c providing the correlation between the program and obligations.

3. Enter estimates of civilian full-time equivalents (FTEs) for civilian personnel data and military end strength for military personnel data.

4. During the budget review, the alternative estimate contained within Decision documents will be expressed as obligations, FTEs for civilian personnel, and end strength for military personnel, and will adjust the CIS. Decision documents will contain compatible cost adjustment summaries for rate and price adjustments and for adjusting financial statements used for budget justification.

090203. Supply Management Activity Groups

A. The methodology formerly contained in DoD Instruction 4140.24, "Requirements Priority and Asset Application for Secondary Items," will be used to develop budgetary requirements until updated. Stratification products will be submitted on a routine basis. A copy of the transition from the stratification to the budget will be provided for each wholesale division.

B. The following statements/tables/exhibits are prescribed for the supply management activity groups of the Fund.

	Budget Review	Backup to Pres Budget	President's Budget	Execution Review
SM-1 Supply Management Summary by Division	yes	yes	yes	yes
SM-3a Operating Budget	yes	no	no	no
SM-3b Operating Requirement by Weapons System by Division	yes	yes	yes	no
SM-4 Inventory Status	yes	yes	yes	no
SM-5a Surcharge Computation	yes	yes	no	no
SM-5b Customer Price Change	yes	yes	yes	no
SM-6 War Reserve Material	yes	no	yes	no
SM-16 Total Cost Per Output Summary	yes	yes	no	no
Fund-1 Summary of Price, Program, & Other Changes	yes	yes	no	no
Fund-1a Details of Price, Program, & Other Changes/ (OP-32) (1)	yes	no	no	no
Fund-9a Capital Investment Summary	yes	no	yes	no
Fund-9b Capital Investment Justification	yes	no	yes	no
Fund-9c Capital Budget Execution	yes	no	yes	no

C. The following statements/tables/exhibits are prescribed for the supply management activity groups of the Fund. (continued)

	Budget Review	Backup to Pres Budget	President's Budget	Execution Review
Fund-11 Source of Revenue (1)	yes	no	yes	no
Fund-13 Cash Management Plan (2)	yes	yes	no	no
Fund-14 Revenue and Expenses (1)	yes	no	yes	no
Fund-15 Fuel Data	yes	yes	yes	no
Fund-19 Military Personnel by Average End Strength	yes	no	no	no
Fund-22 Summary of Base Support	yes	no	no	no

Fund-26	Revenue and Expense Phasing Plan (2)	yes	yes	no	no
Fund-28	Execution Performance Analysis (2)	no	no	no	yes
OP-8	Civilian Personnel Costs (3)	yes	yes	no	no
PB-15	Advisory and Assistance Services (3)	yes	yes	no	no
PB -22	Headquarters Cost (3)	yes	yes	no	no

(1) Electronic submission also required

(2) OUSD (C) RF electronic format required

(3) Formats and Instructions are in Volume 2A Chapter 3 for the OP-8 exhibits and Volume 2B Chapter 19 for the PB-15 and PB-22 exhibits.

Note: The SM-3c, SM-10 Fund 9d, 25, 27 and 29 exhibits are no longer required.

#### D. Definition of Terms Used in Supply Management Activity groups

1. Acquisition Lead Time. The interval in months between the initiation of procurement action and the receipt into the supply system of the production model (excludes prototypes) purchased as the result of such actions. Acquisition Lead Time is composed of two elements, production lead time and administrative lead time.

2. Administrative Lead-Time. That portion of the procurement lead-time that begins with the identification of the need to buy and the contract award.

3. Allocation. Under the appropriations act, direct funds may be appropriated to the DWCF; therefore, obligations may be made against DWCF to procure war reserve material inventory and will be reported separately.

4. Beginning of Period (BOP, BP). The start of a specified fiscal year normally on October 1 used to determine the opening "snapshot" status of resources.

5. Capitalized Inventory. On-hand and on-order inventories of supplies funded by other appropriations and funds are considered as contributed capital as of the date when management responsibility for the items is undertaken.

6. Capitalization. The process whereby the Fund assumes management responsibility and ownership without reimbursement for inventories financed from other DoD appropriations or funds.

7. Commitment. A firm administrative reservation of funds, based upon firm procurement directives, orders, requisitions, authorizations to issue travel orders, or

requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The recording of a commitment reserves funds for future obligations.

8. Contingency Retention Stock. That portion of the quantity of an item excess to the Approved Acquisition Objective and for which there is no predictable demand or quantifiable requirement and which normally would be allocated as potential reutilization stock, except for a determination that the quantity will be retained for possible contingencies.

9. Cost of Goods Sold (COGS). COGS is the value of the items sold at the standard or exchange price respectively. This matches the sales revenue in one period with the transactions affecting costs, which may have occurred in several previous periods. COGS is not affected by surcharge rates, obligations for replenishment, or net outlays. COGS is the essential baseline to establish prices.

10. Cost Recovery Elements /Surcharges. Factors added to the acquisition cost or repair cost price of an item to arrive at the customer's standard or exchange price. Cost Recovery Elements/Surcharges will include: (1) transportation deliveries from production site to points of use or storage; (2) inventory obsolescence and loss, for the costs of pilferage, damage, deterioration, physical inventory shortages and excess; (3) inventory maintenance; (4) supply operations support costs; (5) inventory augmentation; (6) depreciation; (7) cash factor; and (8) DLR carcass attrition costs, if applicable.

11. De-capitalization. The transfer of Fund inventories to other appropriations or funds without reimbursement.

12. Demand. Is an indication of a requirement (requisition, request, issue, repairable generation, etc.) for issue of serviceable material. Demands are categorized as either recurring or nonrecurring and are also referred to as orders. Demands for repairable items should indicate whether or not a carcass will be returned.

13. Direct Appropriations. Amounts appropriated by the Congress to the Fund for war reserve material, Defense Commissary Agency, or other purposes.

14. Economic Retention Stock. That portion of the quantity of an item greater than the Approved Acquisition Objective determined to be more economical to retain for future peacetime issue than to dispose and satisfy projected future requirements through procurement or repair. To warrant economic retention, items must have a reasonably predictable demand rate.

15. End of Period (EOP). The last day of a specified fiscal year, normally September 30, used to determine the closing status of resources.

16. Exchange Price (EP). This is the price charged to customers exchanging a repairable item (DLR) for a serviceable one (new or repaired). Equates to the

latest repair price plus wash out costs per item plus the surcharges necessary to recover other operating costs in the supply management activity group.

17. Expendable Supplies and Material. Supplies which are consumed in use, such as paint, fuel, cleaning, preserving materials, surgical dressing, drugs, and medicines, etc., or which lose their identity in use, such as spare parts, etc. They are sometimes referred to as consumable supplies and material.

18. Initial Spare and Repair Parts. Those spares and repair parts introduced through the provisioning process to sustain material systems programmed operations until requirements are forecast based on actual demands for item replenishment using obligation authority.

19. Insurance Item. A non-demand-based stocked essential item for which no failure is predicted through normal usage. However, if a failure were to be experienced or a loss occur through accident, abnormal equipment or system failure, or other unexpected occurrence, lack of replacement would seriously hamper the operational capability of a weapon system.

20. Inventory (Supply). An aggregation of material (supplies, equipment or end items) which are maintained for the primary purpose of issue to replace a failed, lost, or consumed item, or to provide initial stockage or stock replenishment to supported or supporting units or activities.

a. Consumer Level of Inventory: An inventory, usually of limited range and depth, held only by the final element in an established supply distribution system for the sole purpose of internal consumption. Inventory at the consumer level is normally no longer considered Fund inventory.

b. Intermediate Level of Inventory: An inventory between the wholesale and consumer levels, regardless of funding source.

c. Wholesale Level of Inventory: Inventory, regardless of funding sources, over which the inventory manager at the inventory control point level has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities.

d. Inventory Augmentation. A growth in inventory beyond initial stockage levels that is not demand based. Costs may be recouped through a cost recovery element or by direct appropriations.

21. Inventory Cost Categories

a. Operating Costs, other than initial purchase of war reserve material, consist of orders placed, contracts awarded, and similar transactions which legally

encumber the government to a specified future outlay of funds. Provisioning may or may not be considered an operating cost based on the circumstances within an activity.

b. Mobilization Costs cover fiscal year New Budget Authority to procure items with funds provided specifically for war reserve stocks. These quantities of material are required to support approved force mobilization objectives. The approved force mobilization objective is the quantity required, in addition to peacetime assets normally available on any given date, to equip and support the approved force structure in accordance with current Defense Guidance.

c. Numeric Retention Stock. Formerly, the quantity of an item in excess of all identified requirement objectives but for which disposal is currently infeasible or uneconomical or for which a management decision has been made to retain stock in the supply system. This category of stock is no longer valid.

d. Historic Cost. The price paid for an item at the time it was purchased from a supplier.

e. Replenishment Cost. The current price of an item from a vendor that will result in a cash outlay.

f. Latest Acquisition Cost (LAC). Formerly defined as the price paid for each item the last time it was purchased from a supplier (latest invoice price), unless the last purchase is not a representative purchase and does not include any surcharges or inflation factors. This category of cost is no longer valid.

h. Moving Average Cost: A method of costing inventory that continuously updates the unit cost of inventory on hand based on the average cost of all purchases made to date and records cost of inventory sold at the latest moving average cost.

i. Numeric Stockage Objective (NSO) Item. A non-demand-based, stocked, essential item for which, although failure may be predicted, the probability of demand is so low that it does not meet the stockage criteria at a given activity and, as a demand-based item, would not be stocked. Since the lack of a replacement item would seriously hamper the operational capability of a weapon or weapon systems, the item is therefore stocked; using direct appropriations, as non-demand-based. Also included in this category are:

j. Items needed to support particular programs of a nonrecurring or sporadic nature (e.g., set assembly, non-repetitive overhaul programs) where re-procurement is not required once the particular program has been completed.

k. Items that are procured on a life-of-type basis or which are “bought out” at the termination of a production program.

l. Items that are not fully consumed during a one-time or non-repetitive program but which should be retained for possible future need on a similar program.



22. Other War Reserve Material Requirements. The total war reserve material requirement less the sum of the pre-positioned war reserve requirements.

23. Outlays. Checks issued or other payments made by the government for goods and services received. Gross outlays are equal to the cumulative amount of disbursements made for the fiscal period to date. Net outlays are equal to gross outlays less the cumulative amount of collections received for the fiscal period to date.

24. Peacetime Operating Level of Supply. The quantities of material required to sustain operations in the interval between requisitions and the arrival of successive shipments. These quantities should be based on the established replenishment period (monthly, quarterly, etc.). This is also referred to as the Pipeline, Undelivered Orders, or Due ins from Procurement and Repair.

25. Pre-positioned War Reserve Material Requirement (PWRMR). That portion of the war reserve stocks required to be on hand on M-Day which approved Defense Guidance dictates be reserved and/or positioned at or near the point of planned use or issued to the user prior to hostilities, to reduce reaction time and to assure timely support of a specific force/project until replenishment can be effected.

26. Price Stabilization. The policy through which the standard price of each cataloged supply item shall remain constant throughout each fiscal year except for correction of errors.

27. Product Cost Growth Factor (PCGF). The amount of price growth realized from suppliers above the moving average cost (MAC).  $MAC + PCGF = \text{Replenishment Costs}$ .

28. Production Lead Time. The time interval between the letting of a contract or the placing of an order and the first significant receipt into the supply system of material purchased as a result of such action.

29. Provisioning Item. Spares and repair parts required as both demand and non-demand-based levels in the supply system to support new fielding of end items.

30. Provisioning Item (Outfitting). That portion of Provisioning consisting of items for which a sale is anticipated to an appropriated outfitting (buy-out) account. Direct appropriations are required to establish inventory levels for these items until requirements can be forecast based on actual demands for their replenishment using obligation authority.

31. Reclassification. The transfer of assets between inventory strata.

32. Repair Cycle Level. The quantity of repairable items required to sustain operations during the repair cycle that commences when a maintenance replacement takes place and ends when the unserviceable asset is returned to stock in a serviceable condition.



This includes such stages as removed, awaiting shipment, in transit, in pre-repair screening, in process of repair, and being returned to serviceable stock. Any extraordinary awaiting-parts delays and any intentional extended-transit, storage, or repair-process delays should be excluded from the repair cycle.

33. Repairable Item. An item of supply subject to economical repair and for which the repair (at either depot or field level) is considered in satisfying computed requirements at any inventory level.

34. Requisitioning Objective. The maximum quantities of material to be maintained on hand and on order to sustain current operations and core war reserve. It will consist of the sum of stocks represented by the operating level, safety level, and the order and shipping time or procurement time, as appropriate.

35. Retail Inventory. Supplies/material held below the wholesale level (e.g., the intermediate and consumer levels of inventory).

36. Replenishment Spare and Repair Parts. Demand based spare and repair parts required re-supplying current inventory levels. Inventory levels may increase above initial stockage when there is a concurrent increase in demands (ramp-up). Fewer inventories will be required when there is a decrease in demand levels (ramp-down). These include both repairable and consumable parts in support of fielded items.

37. Safety Level of Supply. The quantity of material required to be on hand to permit continuous operations in the event of minor interruption of normal replenishment or unpredictable fluctuations in demand.

38. Standard Price. The price customers are charged which, for DoD ICP managed items (excluding subsistence), remains constant throughout a fiscal year except for the correction of significant errors. The standard price is computed based on various factors which include the replenishment cost of the item plus surcharges to recover costs for transportation; inventory loss, obsolescence and maintenance; depreciation; and supply operations. Customers are ultimately charged exchange price for DLRs unless the carcass is not returned. If the carcass is not returned, the customer is charged the full standard price.

39. Stockage Objective. The maximum authorized quantity of material on hand to sustain current operations. It consists of the sum of stock represented by the operating level, the safety level, the repair cycle level, and authorized additive levels.

40. Stratification Process. A uniform portrayal of requirements and asset application that is a computer-generated simulation of actions causing changes in the supply position, e.g., procurement, repair, receipt, issue, terminations, and disposal of material.

41. Unfunded Requirement. The difference between the spare and/or repair parts requirement computed in accordance with DoD Policy (such as, DoDI 4110.24, DoDI 4140.39, and DoDI 4140.24) and the amount of that requirement that is funded.

42. Un-obligated Commitments. Amount of commitments incurred this fiscal year to date which have not resulted in obligation at the end of the report period.

43. Variability Target. The projected amount of additional cost authority reflected on the SM-1 (Supply Management Summary) to allow supply activities to respond to variances in costs and/or changes in customer demands during the execution year.

44. War Reserves. War reserves are stocks of material amassed in peacetime to meet the increase in military requirements forecasts contingent on an outbreak of war. War reserves are intended to provide the interim support essential to sustain operations until re-supply can be effected.

D. Budget Submission Formats are provided in Section 0904

090204. Non-Supply Activity Groups

A. The following statements/tables/exhibits are prescribed for the remaining activity groups of the Fund other than Supply Management. Exhibits Fund-7a and Fund-7b are to be included for all activity groups that use direct labor hours in their rate computation. Exhibit Fund-8b is to be included only for the Transportation activity groups.

		Budget Review	Backup to Pres Budget	President's Budget	Execution Review
Fund-1	Summary of Price, Program, and Other Changes	yes	yes	no	no
Fund-1a	Details of Price, Program, and Other Changes/ (OP-32) (1)	yes	no	no	no
Fund-2	Changes in Cost of Operations	yes	no	yes	no
Fund-3	Labor Cost Breakdown	yes	no	no	no
Fund-5	Total Cost Per Output Summary	yes	yes	no	no
Fund-6	Depot Maintenance 6% Capital Investment Plan (Depots only)	yes	yes	yes	no
Fund-7a	Summary of Source of Revenue	yes	yes	no	no
Fund-7b	Customer Rate Computations	yes	no	no	no
Fund-8b	Air Mobility Command (USTRANSCOM only)	yes	no	no	no
Fund-9a	Capital Investment Summary	yes	no	yes	no
Fund-9b	Capital Investment Justification	yes	no	yes	no
Fund-9c	Capital Budget Execution	yes	no	yes	no

Fund-11	Source of Revenue (1)	yes	no	yes	no
Fund-11a	Carryover Reconciliation	yes	no	yes	no
Fund-11a	Carryover Ceiling Calculation (Depots only)	yes	yes	no	no
Fund-13	Cash Management Plan (2)	yes	yes	no	no
Fund-14	Revenue and Expenses (1)	yes	no	yes	no
Fund-15	Fuel Data (3)	yes	yes	no	no
Fund-16	Material Inventory Data	yes	no	yes	no
Fund-19	Military Personnel by Average End Strength	yes	no	no	no
Fund-22	Summary of Base Support	yes	no	no	no
Fund-24	Summary of Personnel Data	yes	no	no	no
		Budget Review	Backup to Pres Budget	President's Budget	Execution Review
Fund-26	Revenue and Expense Phasing Plan (2)	yes	yes	no	no
Fund-28 (2)	Execution Performance Analysis	no	no	no	yes
Fund-30	Unutilized/Underutilized Plant Capacity	yes	yes	no	no
OP-8	Civilian Personnel Costs	yes	yes	no	no
OP-32	Operation & Maintenance	yes	yes	no	no
PB-15	Advisory and Assistance Services	yes	yes	no	no
PB-22	Headquarters Cost	yes	yes	no	no

(1) Electronic submission also required

(2) OUSD (C) RF electronic format required

(3) USTRANSCOM must submit separate Fund 15 exhibits for its Commercial and Military airlift augmentation efforts.

(4) Formats and Instructions are in Volume 2A Chapter 3 for the OP-8 exhibits and Volume 2B Chapter 19 for the PB-15 and PB-22 exhibits.

Note: The Fund 9d, 25, 27 and 29 exhibits are no longer required.

B. Definitions Used in Non-Supply Activity groups

1. Maintenance Depot. Industrial facilities of the Defense Working Capital Funds including; Army and Marine Corps Multiple Commodity Maintenance Depots, Ordnance Depots, Arsenal, Navy and Air Force Aviation Depots, and DLA Industrial Plant Equipment Repair Sites.

2. Direct Labor Hour Rate. The fully burdened cost per direct labor hour is used as the initial basis for establishing stabilized rates. The direct labor hour rate is computed by dividing the sum of all labor, non-labor, and material direct, indirect, general and administrative expenses projected to be incurred by the depot (or other activity group) during the fiscal year, by the total number of direct labor hours (or other outputs) anticipated to be accomplished during the fiscal year.

3. Direct Labor Hour (DLH). DLHs, sometimes referred to as Direct Product Standard Hours, are the number of hours required to perform the direct work on a product, or to perform a billable service for customers. Direct labor hours generally include the hands-on maintenance, repair, overhaul, test, and related direct production effort that follows the established sequence and content of work necessary to accomplish the billable job. Direct Labor Hours do not include the support work or man-hours identified as either indirect or general and administrative in nature. DLHs are estimated for budget purposes, by product or service, based on industrial or management engineering standards developed using time, method, and motion studies, historical usage averages, or professional estimating and evaluation (E&E) techniques.

4. Fixed Price Catalogs. Depot Maintenance activity groups may maintain a catalog of products and services (major end items, components, depot level repairable, modification kits, etc.) with their associated rework, repair, overhaul, installation, etc., based on the Standard Depot Level Maintenance (SDLM) or Planned Depot Maintenance (PDM), work package Direct Labor Hours (DLHs). The DLHs associated with the product or service multiplied by the stabilized composite rate for a fiscal year constitutes the firm fixed price for the catalog item. Catalogs may be maintained in hard copy or in electronic databases accessible to customers.

5. Total Cost of Goods Sold. Refers to the total costs incurred in the operating budget of the activity group associated with the revenue planned to be recognized for the budgeted fiscal year. This is computed by taking actual expenses plus or minus the year to date change in Work-In-Process (WIP).

6. Carryover. Refers to the dollar value of work that has been ordered and funded (obligated) by customers but not yet completed by working capital fund activities (Depot Maintenance, Industrial Operations and Research & Development Activity Groups) at the end of the fiscal year. Carryover consists of the unfinished portion of work accepted but not yet completed.

C. Component Estimates of Rates. Each Activity group will include proposed new customer order rates for each budget year in accordance with paragraph 090104.

The Activity will establish, during the budget review process, rates that will remain stabilized through the execution year.

1. Components will identify total direct labor hours (DLHs) required to accomplish the budget year's work program in the Program Budget Review submission. The work program is the total number of DLHs planned to be executed in support of known and projected customer requirements during execution of the budget.

2. Total costs estimated to be incurred in execution of this workload will also be projected. This process should include application of general inflation, pay raise, and other inflation or OUSD (Comptroller)-directed price adjustments, as specified in the OUSD (Comptroller) budget formulation Budget Call. The sum of all these costs (including supplies, materials, pay, depreciation, and other charges, etc.) is the estimate of the total cost of goods sold.

3. Customer requirements must be projected and separately identified to include: current (on hand) unfilled customers orders expected to be executed during the budget year (carry-in or backlog), and work in process that will be completed; new orders anticipated to be accepted and executed during the budget year; and orders anticipated to be accepted but will not be executed during the year (anticipated carry-over).

a. Carryover calculation. Since the FY 2004 budget submission, the approved amount of workload carrying over to subsequent fiscal years is linked to the outlay rate of the source appropriation as published in the Department of Defense Financial Summary Tables (Part One, Tab J).

(1) The revised methodology applies first year outlay rates to yearend levels of funded carryover. The metric is tailored to the workload of each business area and provides visibility into the elements of carryover. Additionally, the new metric allows for an analytically based approach that holds working capital fund activities to the same standard as general fund execution and allows for more meaningful budget execution analysis. Carryover metrics exclude non-federal, non-DoD, Foreign Military Sales, and Base Realignment and Closure related work, as well as work-in-progress from the carryover calculation.

(2) For Navy R&D activities that host a Major Range & Test Facility Base (MRTFB), those institutional costs associated with the MRTFB support are also excluded from the carryover calculation.

(3) For Army Ordnance activities, in addition to a.1 above, the carryover calculation also includes the use of the 2<sup>nd</sup> year procurement outlay rate. The addition of the 2<sup>nd</sup> year procurement outlay rate now aligns production completion rates with the source appropriation as published in the Department of Defense Financial Summary Tables. This recognizes that multi-year appropriations often fund manufacturing or recapitalization of equipment requiring longer lead times and higher standards of repair.

b. Once yearend carryover balances, less excluded workload, are determined, appropriate outlay rates are applied to the carryover workload and a weighted average outlay rate is identified (unless approved in writing by the Director for Revolving Funds, the outlay rates used for this calculation must come from the DoD Financial Summary Tables, Part One, Tab J). The weighted outlay rate is then applied to the total new orders received to determine what portion of the workload should have been expensed in that fiscal year, and conversely what percentage is allowable carryover. As an example, if the weighted outlay rate is identified at 59 percent and the total of new orders received is \$100 million, then it is reasonable to expect that \$59 million should have expensed in the current year and the remaining \$41 million, or 41 percent of the total new orders received, would be identified as the maximum allowable carryover.

For the 2nd Year Procurement outlay rate, a weighted outlay rate, which includes the sum of the 1st and 2nd year rates, is applied to the new orders from the previous year to determine what portion of the workload should have been expensed in that fiscal year and what percentage is allowable carryover. The example in paragraph b. still applies with the exception that two different weighted outlay rates will now be used to calculate the allowable carryover (one for prior year Ordnance procurement workload and one for all other appropriations).

c. The reporting of carryover will no longer be addressed on the Fund 7a, Summary of Sources of Revenue, but will be accomplished through the establishment of a new budget exhibit, the Fund 11-a, "Carryover Reconciliation". Section 090402 provides format and preparation instructions. Activities whose actual carryover balance exceeds the computed allowable carryover in any year are required to provide written justification as part of the budget submission.

4. Workload mix, availabilities, and production schedules must be assessed, along with any other factors that may impact program outputs such as policy changes, productivity initiatives, planned workload competitions, plant capacity, and other factors. Based on this analysis the total anticipated workload both by major workload category (or product), and the associated Direct Labor Hours needed to accomplish this work during the program year will be identified and reported.

5. Total costs required to execute the planned program to produce the outputs in the approved execution program will be identified and reported in budget exhibits, with significant changes from the prior year highlighted in the Exhibit Fund-2, Changes in the Costs of Operations.

6. To determine program financing requirements and initial rates, the estimate of the total cost of goods sold will be divided by the programmed output (total Direct Labor Hours), to identify an initial cost per direct labor hour.

7. The number of DLHs associated with carry-in workload (unfilled customer orders on hand at the start of the year) times the prior year stabilized rate (rate in effect when the carry-in orders were accepted) will be identified. Since this workload is already financed, the DLHs and associated dollars will be subtracted from the FY total DLHs and Cost identified in step 5 above.

8. The orders anticipated to be accepted but not recognized as revenue during the fiscal year (the carry-over) will be identified in the same manner as the carry-in orders. The initial cost per direct labor hour for these carry-over DLHs (set in step 5 above) will be inflated in accordance with OUSD (Comptroller) guidance for the following fiscal year when the work will actually be executed. The value of this additional inflation cost for these carry-over DLHs will be added to the total program base cost identified in step 4.

9. The revised base cost from step 7 above, plus the additional inflation cost for carry-over orders will be divided by the total number of DLHs associated with new program orders planned to be accepted whether scheduled to be worked or carried-over to the next fiscal year (all orders planned for acceptance or execution in the fiscal year program except unfilled customer orders that were carried-in to the fiscal year). Use the resulting cost per direct labor hour as the basis for the DoD Components' proposed initial rate. Adjust the proposed initial rate for prior year gains or losses necessary to achieve an end-of-year AOR of zero for the budget year. The end result is a proposed New Customer Order Stabilized Rate.

10. Components may develop, report, and use subsidiary rates (engine rate, airframe rate, missile rate, etc.) as long as these subsidiary rates are rolled into a single composite rate for activity group rate setting.

#### 090205. Submission Requirements

A. All businesses, except Supply Management, operating within the Fund or under Unit Cost will provide a Summary by Component in table form. For part I, each Component will provide a summary table for each of its Activity Groups.

1. Component Activity Group Narrative Analysis. - For each activity group, the Component will submit a narrative analysis that, as a minimum, addresses the following areas: a general description of the activity group, its outputs and customers, including performance and quality metrics. Discuss any planned changes in the activity group make up, location or product lines. Display cash and net outlays, revenue and expenses, operating results, full time equivalents and end strength (civilian and military), unit costs and rates and other key indicators in tabular form. Provide short explanatory bullets where significant changes occur.

2. The analysis should focus on the changes from year to year and how these changes are related to work load and productivity trends; an analysis of any special business-type schedules requested in the Budget Call letter; and a discussion of work load and manpower trends, productivity initiatives/cost reductions, unit costs, and customer prices incorporated in activity group budgets.

B. Section 090203 listed submission requirements for Supply Management and Section 090204 listed submission requirements for the remaining activity groups.

C. Budget Submission Formats are provided in Section 0904



D. Submit all DWCF program and budget review submissions electronically to the OUSD (Comptroller) Directorate for Program and Financial Control. The Budget Call Letter will provide any additional submission instructions.

## 0903 CONGRESSIONAL JUSTIFICATION/PRESENTATION

### 090301. Purpose

This chapter provides the policies and procedures to guide the development of budget justification and supporting narrative to be submitted by Components to the OUSD (Comptroller) in development of congressional justification material. Each Component will prepare a separate volume including their executive overview, operating and capital budgets for direct submission to the Congress following review and approval by the OUSD (Comptroller) and the office of Management and Budget. Each Defense Agency will prepare and submit the Defense-wide volume material to OUSD (Comptroller), Revolving Funds Directorate, for review and approval prior to submission to DLA. DLA, with appropriate support from the submitting organization, will assemble the volume containing Defense-wide businesses and supervise its printing and distribution.

### 090302. Organization of Justification Books

#### A. Background

1. The Program Budget Review focuses on a set of business-type schedules as a means of evaluating progress towards meeting cost and productivity targets, developing (with Component financial management personnel) unit cost goals by activity group and setting prices for the budget year(s).

2. The Budget Call for budget justification and supporting narrative will request updates for selected Fund schedules for inclusion in congressional justification material.

3. All data submitted for the President's budget should be consistent with approved costs, work load and productivity assumptions, and approved by the appropriate Revolving Fund Directorate analyst.

4. The justification books submitted to Congress are to be unclassified, will be in one volume organized into three sections: Component Overview, Operating Budget, and Capital Budget. All Congressional Budget Material will be submitted electronically and be available on the Services unclassified Web Site. Defense Working Capital Fund Activity Groups (DLA, DeCA, etc.) will submit an electronic version of their budget to OUSD (Comptroller) Program and Financial Control Directorate.

5. Justification books should follow the guidance contained in the DoD Financial Management Regulation, Volume 2, paragraph 010401 for preparation of budget materials to Congress.



6. Financial exhibits required by Chapter 9 will agree with the Annual Financial Statements required by the Chief Financial Officers Act of 1990. Proposed deviations from data reported on the Annual Financial Statements are to be coordinated with the Revolving Funds analyst responsible for the affected activity group.

B. Component Operating and Capital Budgets

1. Component Overview: This volume summary section and other Component justification will be submitted to Congress in February. The Component summary will consist of individual Component inputs in the following main sections:

a. Component Activity Group Narrative Analysis - For each activity group, the Component will submit a narrative analysis that, as a minimum, addresses the following areas: a general description of the activity group, its outputs and customers, including performance and quality metrics. Discuss any planned changes in the activity group make up, location or product lines. Display cash and net outlays, revenue and expenses, operating results, full time equivalents and end strength (civilian and military), unit costs and rates and other key indicators in tabular form. Provide short explanatory bullets where significant changes occur.

The analysis should focus on the changes from year to year and how these changes relate to work load and productivity trends; an analysis of any special interest items as requested by OUSD (Comptroller) and a discussion of workload and manpower trends, productivity initiatives/cost reductions, unit costs, and customer prices incorporated in activity group budgets.

b. Budget Statements - The Component will submit summary budget statements requested to support the external budget submission.

c. Special Schedules - For the Supply Management activity groups, the narrative must include a section on workload and economic assumptions. These assumptions must include the following data for the prior, current, and budget fiscal years: items managed (#), requisitions received (α), receipts (#), issues (#), contracts executed (#), purchase inflation (%), and supply material availability (%).

2. Component Operating Budget: For each activity group, the Component will submit a narrative description that explains the activity group as well as the budget statements indicated in Section 0904.

## 0904 ACTIVITY GROUP ANALYSIS FORMATS

### 090401. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Adhere to these formats unless they are modified in a submission budget call.

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OP-8 Part 2, Reimbursable Civilian Personnel Costs .....	*
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PB-22 Headquarters Cost.....	*

Note: The SM-3c, SM-10 Fund 9d, 25 and 27 exhibits are no longer required.

\*Formats and Instructions for these exhibits are in Volume 2A Chapter 3 for the OP-8 exhibits and Volume 2B Chapter 19 for the PB-15 and PB-22 exhibits.

### Exhibit SM-1 Supply Management Summary

[illegible]

Exhibit SM-1 Supply Management Summary  
Page 1 of 2

**INSTRUCTIONS FOR PREPARATION OF SUPPLY MANAGEMENT SUMMARY (EXHIBIT SM-1)**

The purpose of the SM-1, Supply Management Summary by Division, is to provide summary justification for the Service or Defense Agency request. Instructions for preparation of SM-1 follow:

1. Prepare the SM-1 for each year being reviewed.
2. Dollars in millions and tenths of a million.
3. Both approved and proposed should be shown if they differ for the following:
  - Peacetime Inventory
  - Net Customer Orders
  - Net Sales
  - Obligation Targets
  - Other Obligation Target includes appropriated dollars for any purpose other than mobilization.
  - Variability Target.
  - Target Total.

Exhibit SM-3a Operating Budget

FY ____ (DoD Component)      BUDGET	DIVISION			DATE	
	(Dollars in Millions)				
	FY ____	FY ____	FY ____	FY ____	FY ____
<b>SUPPLY MANAGEMENT Operating Budget</b>					
<b>A. INVENTORY REQUIREMENT</b> (Standard Price)					
1. Operating Requirement					
a. New Customer Orders (Net)					
b. Unfilled Orders (BOP)					
c. Operating Objectives					
d. Other, including Provisioning (List)					
e. Total					
2. Mobilization					
3. Other					
4. Total Inventory Requirements					
<b>B. APPLICABLE RESOURCES</b> (Standard Price)					
1. ON HAND BOP					
2. CHANGES DURING PERIOD					
3. ON ORDER BOP					
4. TOTAL APPLICABLE RESOURCES					
<b>C. REQUIREMENT</b> (Standard price)					
1. TOTAL REQUIREMENT (Standard price)					
2. SURCHARGES (-)					
<b>D. FUNDING REQUIREMENT</b> (At Cost)					
1. FUNDING REQUIREMENT AT COST					
2. TRANSPORTATION COST (+)					
3. REPAIR COST (+)					
4. OTHER (List)					
5. TOTAL FUNDING REQUIREMENT					
6. UNFUNDED OPERATING REQUIREMENT					
7. UNFUNDED MOBILIZATION PROTECTABLE					
8. UNFUNDED PROVISIONING & OTHER PROTECTABLE					

Exhibit SM-3a Operating Budget  
Page 1 of 6

Exhibit SM-3a Operating Budget (Continued)

FY ____ (DoD Component) BUDGET		DIVISION			DATE	
SUPPLY MANAGEMENT Operating Budget (Continued)		(Dollars in Millions)				
		FY ____	FY ____	FY ____	FY ____	FY ____
E. VARIABILITY TARGET (At Cost)						
F. OBLIGATION TARGET (At Cost)						
1. OPERATING (Includes DLR repair)						
2. PROVISIONING						
3. OTHER						
4. MOBILIZATION						
5. TOTAL						
G. BASIS OF OPERATING OBJECTIVES (Standard Price)						
1. SAFETY LEVEL	dollars					
	days					
2. ADMINISTRATIVE LEADTIME	dollars					
	days					
3. PRODUCTION LEADTIME	dollars					
	days					
4. PROCUREMENT CYCLE	dollars					
	days					
5. OPERATING LEVEL	dollars					
	days					
6. REPAIR CYCLE	dollars					
	days					
7. OTHER OBJECTIVES (List)	dollars					
	days					
8. TOTAL OPERATING OBJECTIVES						
9. NUMBER OF ITEMS MANAGED						
10. MEASURE OF EFFECTIVENESS Percent Stock Availability (Fill Rate) Requisition Delay Time Quality Deficiency Reports (QDRs) QDR Processing Time Other (specify)						
11. OPERATING TEMPO (Flying hours by aircraft type, tank miles, steaming days etc)						
H. NARRATIVE EXPLANATION (Indicate item number to which explanation applies. If more space is needed, attach additional pages.)						

**INSTRUCTIONS FOR PREPARATION OF  
OPERATING BUDGET REQUIREMENTS (EXHIBIT SM-3a)**

The purpose of the SM-3a, Operating Budget Requirements is to provide backup information to support the obligations. Instructions for preparation of the SM-3a:

1. Prepare an SM-3a for each supply management material division except for the Defense Logistics Agency and the Army, which may submit a consolidated statement for the retail divisions. An SM-3a is not required for a supply cost of operations division. For the requested columns for the current year, display estimated actuals. For budget year and budget year plus one display revised request.
2. Dollars in millions and tenths of a million except the Air Force Academy Division exhibits will be prepared in thousands.
3. See Section 090203, Supply Management, for definitions of inventory categories.
4. Operating Requirements (line A1E) should include the total requirements for new customer orders (demands), unfilled orders at the beginning of the period, operating inventory requirement (*pipeline*) to replace sales, and others (listed and explained as necessary) at standard price.
5. Mobilization Requirement (line A2) should be the funded requirement (*to include inventory on hand*) as of the end of the period. Show unfunded mobilization requirement on line D7.
6. Total Inventory Requirement (line A4) should be the total of lines A1E, A2, and A3.
7. Applicable Resources should be shown in Section B.
8. Requirement (Standard Price) is shown on line C1. Line C1 is line A4 minus line B4. Line C2 is the surcharges amount included in line C1.
9. Line D1, Funding Requirement at Cost, is line C1 minus line C2. It includes obligations plus commitments for inventory requirements. Lines D2 through D4 are other obligation requirements for non-inventory requirements. Line D5 is the total obligation requirement (the sum of D1 through D4). Line D6 is any unfunded operating requirement included in D5. (Explain in narrative.) D7 will reflect line 4C on SM-3C. D8 will reflect line 6B on SM-3a.
10. Line F5 is the total obligation target; line D5 minus lines D6 through D8 and E.
11. Basis of Operating Objectives. (Section G) This section contains an analysis in financial terms of peacetime on-hand and on-order objectives for the end of the past year, current

Exhibit SM-3a Operating Budget (Continued)  
Page 3 of 6

year, and the budget year. Objectives (*pipeline*) will be based on subsequent fiscal year estimated demands, and will be constructed by element (e.g., safety levels, production lead-time, review cycle, repair cycle, and the like). Column 1 will reflect the actual end-of-period objectives for the past fiscal year.

The purpose of this exhibit is to portray statistically computed supply inventory objectives that will be used to test the reasonableness of the total inventory objectives computed by means of the simulation-of-buy stratification process. Substitute formats may be used provided they present substantially the same information, and if prior approval for substitution is obtained from the Director for Revolving Funds, OUSD (Comptroller).

The following is an explanation of specific entries.

a. Safety Level. (Days/Dollars) This entry will reflect the relationship between the dollar value of issues/transfers, and the dollar value of the safety level, to the average number of days of supply contained in the safety level. Requirements for numeric stockage objectives are excluded. Provision is made for more than one echelon of supply by permitting the safety level at the highest echelon to consider, in addition to issues, transfers to lower echelons. This section is applicable to both repairable and consumable items. The narrative should describe significant changes in safety level requirements or average days from one fiscal period to the next period.

b. Lead-time. (Days/Dollars) The requirement to support demands (requiring replacement through acquisition) over the acquisition lead-time period of procurement or order and ship time, depending on the echelon of supply, is included in this entry. No lead-time requirement is to be included for issues replaced through the repair cycle or for issues that will not be replaced. Therefore, these types of issues are subtracted from gross demands in the computation. The narrative should describe significant changes in lead-time requirements or average days from one fiscal period to the next period.

c. Procurement Cycle/Operating Level. (Days/Dollars) The procurement cycle applies to the first echelon of supply. This requirement supports demands from the end of the fiscal year until the next scheduled procurement. For each fiscal year it represents the dollar value of that portion of the procurement cycle which requires funding during that fiscal year. The operating level applies to the second echelon of supply. The operating level requirement support demands during the interval, between arrivals of successive replenishment shipments. Only one-half of the dollar value of the operating level requirement is included here since it is assumed that on the average one-half of this requirement would be on order at any given period in time.

No procurement cycle or operating level requirement is to be included for issues replaced through the repair cycle. The narrative should describe significant changes in procurement cycle/operating levels or average days from one fiscal period to the next period.



d. Repair Cycle. (Days/Dollars) This entry will consist of the requirement for material to be on hand at the end of the fiscal year to accomplish repair operations during the repair turnaround period. This will include the time interval required to generate, through returns, sufficient stocks of an item to warrant an economical repair work order (accumulation time), and the time interval between approval of a work order for repair until the item is reclassified as serviceable (repair lead-time). The repair cycle will consist of the time interval between pickup of the unserviceable item on inventory control records and the time when the item is reclassified as serviceable. In those instances where asset visibility has been extended below the wholesale (first) echelon of supply, repair cycle requirements should include the full range of funding needed to support the visible portions of the repair cycle as first echelon requirements. A repair cycle for both a first and second echelon of supply should be described in those cases where the requirements process does not comprehend all repair cycle requirements within the first echelon. The narrative should describe significant changes in repair cycle requirements or average days from one fiscal period to the next period.

e. Other Operating Inventory Objectives. (Days/Dollars) Objectives included here will be limited to those that cannot be properly assigned to any of the objectives identified above. The narrative analysis will include appropriate data to support each objective listed under this classification. This entry excludes requirements/funding for peacetime inventory augmentation or mobilization. The narrative should describe significant changes in other operating inventory objectives from one fiscal period to the next period.

f. Total Operating Inventory Objective. (Days/Dollars) This entry is the sum of total computed on-hand and on-order peacetime operating inventory requirements as of the end of each fiscal period. (Sums of lines G1 through G7.)

12. Number of Items Managed. (Item 9) should provide quantitative data and narrative explanation of major changes.

13. Measures of Effectiveness (item 10) should provide quantitative data and narrative explanation of major changes in measures of supply effectiveness. The following measures of effectiveness will be used:

a. Percent stock availability (fill rate)--The number of units requisitioned that are immediately available expressed as a percent of the total units demanded for the period. This percent should be shown for both the wholesale and the retail level of supply.

b. Requisition delay time--The length of time between the dates a supplier receives a requisition for an item and the date he ships the item. This should be expressed as a number of days for all stock funded items.

c. Quality Deficiency Reports (QDRs)--This measures the percentage of discrepancies in customer receipts in comparison to total item issuances by the ICP (in response to customer requisitions). It is a measure of customer satisfaction.

d. QDR Processing Time--This measures the time interval from ICP receipt of QDR to the issuance of corrective action. It is a measure of timeliness and customer satisfaction.

14. Operating Tempo Assumptions (item 11) should provide quantitative data such as flying hours (by aircraft type), steaming days, programmed overhauls, training days, etc., which may impact the supply management division's requirements.

15. Narrative. This provides a narrative explanation of significant changes. Also, this narrative provides a presentation of the adjustment required to the basic stratification tables prescribed by DoDI 4140.24 to adjust the basic data or to add data not considered. A detailed explanation of operating obligation requirements in excess of orders will be provided. The narrative should describe significant revisions or additions to the stratification tables that provide the basis for budget review and analysis. Individual statements for each budget submission should be prepared for each budget category.

Exhibit SM-3a Operating Budget (Continued)

Page 6 of 6

[illegible]

Exhibit SM-3b By Weapon System  
Page (1 of 2)

**INSTRUCTIONS FOR PREPARATION OF OPERATING REQUIREMENT BY WEAPON SYSTEM  
(EXHIBIT SM-3b)**

The purpose of the SM-3B, Operating Requirement by Weapon System is to provide a breakout of the operating obligation request by type of supply system action (procurement versus repair) and by weapon system or category.

1. For the OSD/OMB budget review, prepare SM-3B for each Service stock fund wholesale division that provides military spare parts. (This excludes fuel, medical/dental, subsistence, etc.). For each division, one Exhibit SM-3B should be prepared for each fiscal year (CY, BY).

2. Definitions.

a. Basic Replenishment consists of the sales of replacement spares *based on demands*.

b. Outfits are initial procurements to support a new weapon system or modification to an existing weapon system. This material is anticipated to be sold to an appropriated outfitting (buy-out) account that finances the lay-in of authorized allowances at the outfitting site.

c. Special Programs are instances where special management action is required, such as a Service initiative responding to abnormally high wear-out rates.

d. Basic Rework is repair obligations for sales replacement.

3. Dollars in millions and tenths of a million. Weapon systems, as defined by the applicable Service, may be aggregated into categories when individual systems are less than \$25 million. The Director for Revolving Funds will approve appropriate levels of aggregation. Common parts may be grouped by category such as radios or may be allocated to specific systems such as F-16 aircraft. Obligation authority requests for non-weapon system-related requirements such as reverse engineering and forging & casting must be separately identified.

4. Estimated data may be used and noted as such until accurate systems can be developed to provide accurate data.

5. This form will be prepared at replenishment cost or repair cost as appropriate.

6. The NMCRS (Non-Mission Capable Rate Supply) column will contain the percentage that a weapon system is not mission capable due to the lack of spare parts. You will report this rate target for each budgeted fiscal year.

Exhibit SM-3b By Weapon System (Continued)  
(Page 2 of 2)

Exhibit SM-4 Inventory Status

FY _____	BUDGET _____	DIVISION _____			DATE _____
SUPPLY MANAGEMENT		(Dollars in Millions)			
(DoD Component) INVENTORY STATUS	TOTAL	MOBILIZATION	PEACETIME OPERATING	PEACETIME OTHER	
<b>1. INVENTORY BOP</b>					
<b>2. BOP INVENTORY ADJUSTMENTS</b>					
a. RECLASSIFICATION CHANGE (Memo)					
b. PRICE CHANGE AMOUNT (Memo)					
c. INVENTORY RECLASSIFIED AND REPRICED					
<b>3. RECEIPTS AT STANDARD</b>					
<b>4. SALES AT STANDARD</b>					
<b>5. INVENTORY ADJUSTMENTS</b>					
a. CAPITALIZATIONS + or (-)					
b. RETURNS FROM CUSTOMERS FOR CREDIT +					
c. RETURNS FROM CUSTOMERS WITHOUT CREDIT					
d. RETURNS TO SUPPLIERS (-)					
e. TRANSFERS TO PROPERTY DISPOSAL (-)					
f. ISSUES/RECEIPTS WITHOUT REIMBURSEMENT + or (-)					
g. OTHER (LIST/EXPLAIN)					
h. TOTAL ADJUSTMENTS					
<b>6. INVENTORY EOP</b>					
<b>7. INVENTORY EOP, REVALUED (LAC, DISCOUNTED)</b>					
a. ECONOMIC RETENTION (Memo)					
b. CONTINGENCY RETENTION (Memo)					
c. POTENTIAL DOD REUTILIZATION (Memo)					
<b>8. INVENTORY ON ORDER EOP (Memo)</b>					
<b>9. NARRATIVE (Explanation of unusual changes)</b>					

Exhibit SM-4 Inventory Status  
(Page 1 of 3)

**INVENTORY STATUS (EXHIBIT SM-4)**

The purpose of the Inventory Status, SM-4 Exhibit is to show estimated inventory levels that will result from the proposed budgets and operating levels. Prepare SM-4 for each budget submission or review. This report shall be submitted for the prior fiscal year, the current fiscal year to date, the total current year, and the budget year for each supply management division. For each fiscal year, the form will be prepared at standard price. Line 7 will show the ending inventory converted to cost with discounting factors for repair cost and salvage value applied as appropriate. A consolidated summary for the total fund will be prepared for the OSD/OMB Review. The prior fiscal year and the current fiscal year to date exhibits shall reflect in column (1) the amount, at standard price, from supply management general ledgers used in preparation of fiscal and accounting reports. Amounts in columns (2), (3), and (4) may be statistically derived based upon related inventory stratification reports. Instructions for preparation of SM-4 Inventory Status at standard price are as follows:

1. Inventory, BOP at Standard Price. (Beginning of Period) Amounts of inventory on hand and in transit reported must equal amounts reported as of the end of the prior year. If not, explain any difference in a footnote. The Component must have title to all inventory listed here.
2. Inventory, Re-priced at New Standard Price. Stratified inventory, valued at new standard price. Memorandum entry for amount due to price change (line 2B) and for change due to reclassification (line 2A) will be shown. Reclassification nets to zero in total column.
3. Receipts. Add the amount of inventory value on which title has passed or will pass to the reporting supply management division during the period of the report. Use standard price.
4. Gross Sales. Material sold to customer during the period of the report at standard price.
5. Inventory Adjustments.
  - a. Capitalization (Net). Report at standard price the inventory value of material capitalized or de-capitalized during the period of the report. Show a net de-capitalization with (-) preceding value.
  - b. Returns from Customers for Credit. Show the cumulative amount of material returned from customers on which title has passed to the reporting supply management division during the period of the report for which credit has been given. For non-fuel returns use standard price. For fuel returns, show the cumulative amount of fuel returned based on market price valuation of current inventory.

EXHIBIT SM-4 Inventory Status (Continued)  
(Page 2 of 3)

c. Returns from Customers without Credit. Show the cumulative amount of material returned from customers on which title has passed to the reporting supply management division during the period of the report for which credit was not given. Use standard price.

d. Returns to Suppliers. Show as a negative number the cumulative amount of material returned to supplier during the period of the report. Use standard price.

e. Transfers to Property Disposal. Show the net amount of material transferred to/from the Defense Reutilization and Marketing Service (DRMS) on which title has been passed to DRMS. Use standard price.

f. Issues/Receipts without Reimbursement. Show the net cumulative amount of material issued or received without reimbursement during the period of the report. This item could include transfers from other divisions or material categories, etc., as required. Show net issued with (-) preceding value. Use standard price.

g. Other Adjustments. Identify and report the amounts of other adjustments to inventory. Include all other adjustments to inventory such as adjustments to record for physical inventory count and extraordinary losses (fire, weather). Explain with footnotes if necessary. Show (+) or (-) as appropriate. Use standard price.

h. Total. Add 5a through 5g.

6. Inventory EOP. (End of Period) Report the amount of inventory available as of the end of the reporting period. Includes all on hand, in transit, work-in-process, and other stocks on which title is rested in the reporting stock fund division. Use standard price.

7. Inventory EOP at Approved Valuation Method. Convert the inventory at standard price in line 6 to the approved accounting valuation. Then apply the discounting factors for repair cost and salvage value as appropriate. Provide breakout of Peacetime Other Inventory (column 4, line 6) value as economic retention, policy retention, potential excess, and other for OSD/OMB review only.

8. Inventory on Order, EOP at Cost. (End of Period) Report the amount of peacetime (operating and other) and mobilization undelivered orders (excluding in transit) for material outstanding at the end of the period.

EXHIBIT SM-4 Inventory Status (Continued)  
(Page 3 of 3)

Exhibit SM-5a Wholesale Only - Surcharge Calculation

**Supply Management  
Wholesale Only - Surcharge Calculation**

<b>DIVISIONS/ICP</b>	<b>(\$M) PY</b>	<b>(% of Sales) PY</b>	<b>(\$M) CY</b>	<b>(% of Sales) CY</b>	<b>(\$M) BY</b>	<b>(\$ of Sales) BY</b>
<b>Composite</b>						
1. Sales at LAC/LRC						
2. Surcharge Elements						
a. Supply Ops Obs (May List)						
b. Distribution Depot Obs						
c. DLIS/DAASC/DRMS Obs						
1. Defense Logistics Information Ctr						
2. Defense Automated Address Sys Ctr						
3. Defense Reutilization & Marketing						
d. DFAS Obs						
e. Depreciation						
f. Material Inflation Adjustment						
g. Loss/Obsolescence Obs						
h. Condemnation Obs						
i. Transportation Obs						
j. Capital Surcharge						
k. AOR Recovery						
l. Other (List)						
m. <b>Total Surcharge</b>						

Exhibit SM-5a Wholesale Only - Surcharge Calculation  
(Page 1 of 4)



INSTRUCTIONS FOR PREPARATION OF EXHIBIT SM-5a  
SURCHARGE COMPUTATION

The purpose of the SM-5a, Surcharge Computation Exhibit, is to show the surcharge elements for the wholesale divisions of supply management activity groups. This form will be prepared for each wholesale division. Each Service/Agency will provide a consolidated form for the sum of all wholesale divisions managed by that Service/Agency.

1. Components will provide the estimated surcharge and customer price changes on this form and the SM-5B, Customer Price Change that will be reflected in the upcoming budget years to OSD (Comptroller) by August 1. OSD (Comptroller) will review these estimates and distribute pricing factors to all Components in seven working days after receipt of these products.

2. On line 1 of the form, enter net sales at MAC/LAC/LRC as appropriate for that wholesale division. If the division is consumable, the sales at cost should be at acquisition cost. For example, in estimating FY 2000 costs, FY 1998 contract prices plus FY 1999 inflation should be used. If the division is repairable, separate exhibits should be prepared for sales at standard price and sales at exchange price. For the estimated sales at standard price, the net sales reflected should represent sales at LAC. For sales at exchange price, the net sales reflected should represent sales at latest repair cost (LRC). For example, in setting FY 2000 prices, FY 1998 repair prices plus approved depot rate changes should be used. The surcharge elements described below should be allocated to sales at standard price or sales at exchange price. There should also be a composite exhibit for repairables that sums both the sales at LAC and LRC and the surcharge elements. For the Current Year (CY) the sales at cost should reflect the number approved in the President's budget for that fiscal year. This is the only form in which President's budget approved numbers are required. All other forms will reflect actual, estimated actual or new projections as appropriate. For BY the sales at cost should reflect the Components' best estimate of sales for that fiscal year including the approved inflation for that fiscal year only. On this line do not fill out the percent of sales column. For the composite supply management surcharge, the net sales at cost line will be comprised of a mix of consumable and repairable sales at LRC and LAC based on the estimated standard price and exchange price sales.

3. On line 2A enter obligations for supply operations approved in the President's budget for the CY less other supply operations obligations separately identified such as distribution depots obligations and transportation obligations. For BY enter the estimated obligations for the budget year less obligations reflected under other categories. For the percent of sales column, divide the dollar amount in each category by the sales at cost in line one for each column. Inflation for each fiscal year should be included in the obligations cited for each surcharge element. At Component discretion, obligations for supply operations may be further broken down and displayed on this form.

Exhibit SM-5a Wholesale Only - Surcharge Calculation (Continued)  
(Page 2 of 4)

4. On line 2B enter obligations to reimburse DLA distribution depots for receipts and issues approved in the President's budget for the PY and the CY. For the BY enter anticipated obligations to reimburse DLA distribution depots for receipts and issues. Work with DLA as you develop your rates to identify the number of receipts and issues and the price DLA plans to charge in estimating the budget year amount. During the budget review these estimates will be adjusted based on the budget decisions.
5. On line 2C enter the sum of obligations to reimburse DLIS, DAASO, and DRMS approved in the President's budget for the PY and the CY. For BY enter anticipated obligations to reimburse DLIS, DAASO, and DRMS. List the amounts applicable to each of these organizations on lines 2C1, 2C2, and 2C3. Work with DLA as you develop your rates to determine the amount of funding required to support these activities in the budget year. During the budget review these estimates will be adjusted based on the budget decisions. Similar adjustment is required on the SM-5a to line 2c.1.
6. On line 2D enter obligations to reimburse DFAS for accounting services approved in the President's budget for the PY and the CY. For BY enter anticipated obligations to reimburse DFAS. Work with DFAS as you develop your rates to identify the obligations required to reimburse DFAS for the budget year. During the budget review these estimates will be adjusted based on the budget decisions.
7. On line 2E enter depreciation expense approved in the President's budget for the PY and the CY. For BY enter anticipated depreciation expense.
8. On line 2F enter the obligational impact associated with the approved inflation related to material for the PY and CY. For BY inflation should be calculated based on several factors: (1) actual experience over production lead-time preceding the CY setting of prices; (2) approved inflation over the production lead-time preceding the CY setting of prices; and (3) a combination of these two factors based on an estimation of the gain/loss resulting from the inflation estimate in prior year price setting. Inflation for supply operations and other surcharge elements should be included within the supply operations element listed above.
9. On line 2G enter the obligations required to replace items that have either been lost, pilfered, or have become obsolescent approved in the President's budget for the PY and the CY. For BY enter anticipated obligations associated with replacing items that have become lost or obsolete. If the carcass return rate is less than 100 percent for repairables, obligations required to replace items should be included in this category.
10. On line 2H, for repairable items only, enter the obligations required to replace items that have attrited through the repair process approved in the President's budget for the PY and the CY. For BY enter anticipated obligations associated with replacing items that have attrited in the

repair process. Attrition for repairable items occurs on items that have been sold at exchange price. Subsequently, the items wash out in the repair process and some must be replaced.

11. On line 2I enter the obligations required for first and second destination transportation of secondary items approved in the President's budget for the PY and the CY. For BY enter anticipated obligations associated with transportation of secondary items. Obligations for first destination transportation of secondary items should only be included as a surcharge element if not included in the price of the item.

12. On line 2J enter the capital surcharge required to support disbursements for capital investments that will not be covered by depreciation approved in the President's budget for the PY and the CY. For BY enter anticipated surcharge amount required to support disbursements for capital investments that will not be covered by depreciation.

13. On line 2L enter the amount added to prices to adjust for prior year gains/losses approved in the President's budget for the PY and the CY. For BY enter anticipated surcharge amount required to adjust prices for prior year gains/losses. This estimate for BY must be based on actual PY results and revised CY estimates in the President's budget.

14. This form is not intended to limit the Component in the display of surcharge elements. The Other (List) category permits the Component to display other costs as required.

15. On line 2M sum up line 2A through 2L across the columns.

Note: 1/ Exclude direct reimbursable costs such as tenant base support. Identify the amount excluded by footnote on this form.

Exhibit SM-5b Customer Price Change

**SUPPLY MANAGEMENT  
Wholesale Only  
Customer Price Change**

	<b>CY</b>	<b>BY</b>
1. Net Sales at Cost		
2. Less: Material Inflation Adj.	XXXXXXXX	
3. Revised Net Sales at Cost	XXXXXXXX	
4. Surcharge (\$)		
5. Change to Customers		
a. Previous Year's Surcharge (%)		
b. This year's Surcharge and material inflation divided by line 3 above (\$)		
c. Percent change to customer		

Line 1. On this line enter the net sales at cost for each fiscal year. The dollar value on this line should match the net sales at cost line on the composite line 1, SM-5A and include an estimate for material inflation.

Line 2. This line should have the dollar value of the material inflation adjustment applicable between the previous year and the fiscal year of the column, i.e., in the budget year column, enter the amount of material inflation included in line 1 between BY and CY.

Line 3. Subtract line 2 from line 1.

Line 4. Enter the surcharge (\$) for that fiscal year from the SM-5A, i.e., for the budget year enter the composite total surcharge for line 2M of the SM-5A.

Line 5a. Enter the percentage (decimal) of the previous fiscal year's surcharge, i.e., for the budget year enter the percentage (decimal) from the CY line 2M of the SM-5A.

Line 5b. Add together line 4 and line 2. Divide the total of line 4 and line 2 by line 3 to get the entry for this line.

Line 5c. Divide line 5b plus one by line 5a plus one and subtract one from the result.

Exhibit SM-5b Customer Price Change  
(Page 1 of 1)

Exhibit SM-6 War Reserve Material

**WAR RESERVE MATERIAL (WRM)  
STOCKPILE (\$ in millions)**

<b>STOCKPILE STATUS</b>			
	Total	WRM Protected	WRM Other
1. Inventory BOP @ std			
2. Price Change			
3. Reclassification			
Inventory Changes			
a. Receipts @ std			
(1). Purchases			
(2). Returns from customers			
Issues @ std			
(1). Sales			
(2). Returns to suppliers			
(3). Disposals			
c. Adjustments @ std			
(1). Capitalizations			
(2). Gains and losses			
(3). Other			
Inventory EOP			
<b>STOCKPILE COSTS</b>			
1. Storage			
2. Management			
3. Maintenance/Other			
Total Cost			
<b>WRM BUDGET REQUEST</b>			
1. Obligations @ cost			
a. Additional WRM Investment			
b. Replenishment/Repair WRM - Reinvestment			
c. Stock Rotation/Obsolescence			
d. Assemble/Disassemble			
e. Other			
Total Request			

Exhibit SM-6 War Reserve Material  
(Page 1 of 2)

WAR RESERVE MATERIAL (WRM)  
EXHIBIT SM-6

The purpose of the WRM exhibit is to notify Congress of the Departments intentions regarding the management of secondary item war reserves, especially when reclassifying WRM inventory into “protected status”. Stockpile status and costs sections show the current and budgeted amounts for the inventory and the costs associated with maintaining these levels. The budget request section notifies Congress of the amounts of obligations to be used to acquire or maintain war reserve items and quantities. Exhibit instructions are as follows:

1. Stockpile Status (Same instructions as the SM-4). Components should use the “reclassification” line to transfer inventory into the “protected” WRM category from “WRM Other”, if desired.
2. Stockpile Costs. WRM stockpile costs are those incurred in the working capital fund (WCF) to store WRM material, to manage WRM stocks to include a portion of total ICP costs (normally based on surcharges for purchased/repaired items funded with the obligations identified below), and any other WCF costs to maintain the WRM inventory.
3. WRM Budget Request. This area addresses the amounts of obligation authority to be used specifically for WRM items or WRM quantities, whether from an appropriation, from cash balances, or from future sales.
  - a. Additional WRM Investment (normally reimbursed or funded by an appropriation). The amount of obligations to purchase or repair new or additional items that will increase the value of the total WRM inventory...
  - b. Replenish/Repair WRM Reinvestment. The amount of obligation authority to be used to replenish or repair WRM inventory that is sold, and the amount to be used to reinvest in new inventory with the funds from the sale of old inventory. Should normally be a one for one or dollar for dollar (excluding surcharges) replacement.
  - c. Stock Rotation/Obsolescence (separate from the stock replenishment from sales above). This is to replace stocks that are not sold but must be rotated or replaced periodically because of shelf life or obsolescence (can be related to an appropriation, if required, but normally maintains, and not increases, the value of the WRM inventory).
  - d. Assemble/Disassemble. The amount of obligations to be used to change the configuration of WRM inventory items.
  - e. Other. As appropriate.

Exhibit SM-6 War Reserve Material (Continued)  
(Page 2 of 2)

Exhibit SM-16 Total Cost per Output Summary

**Total Cost per Output Summary****Component:**\_\_\_\_\_ **Activity Group:**\_\_\_\_\_**Date:**\_\_\_\_\_

(\$ in Millions)

**Gross Sales**  
**PY CY BY****Unit Cost**  
**PY CY BY****Total Cost**  
**PY CY BY**Output  
Operating Budget

Cost per dollar of sales

Divide Total Cost by  
Gross SalesCost equals obligations  
(except capital budget)  
plus depreciation,  
and credit returns.Exhibit SM-16 Total Cost per Output Summary  
(Page 1 of 1)

Exhibit Fund-1 Summary of Price and Program Changes – Costs

**Summary of Price, Program, and other Changes (Operating Budget) - Costs****Component:****Activity group:****Date:****(\$ in Millions)**

	<b><u>Cost of</u></b> <b><u>Opns</u></b> <b><u>FY PY</u></b>	<b><u>Cost of</u></b> <b><u>Opns</u></b> <b><u>FY CY</u></b>	<b><u>Price</u></b> <b><u>Growth</u></b>	<b><u>Program</u></b> <b><u>&amp; Other</u></b> <b><u>Changes</u></b>	<b><u>Cost of</u></b> <b><u>Opns</u></b> <b><u>FY BY</u></b>
Military Personnel Compensation (Fund-1a lines 010-050)					
Civilian Personnel Compensation and Benefits (including FNIH personnel) (Fund- 1a lines 101-121)					
Travel and Transportation of Personnel (Fund-1a lines 301-307)					
Material & Supplies (For Internal Operations) (Fund-1a lines 401-422)					
Equipment (Fund-1a lines 502-550)					
Other Purchases from Revolving Funds (Fund-1a lines 601-699, except 633, 634, and 671)					
Transportation of Things (Fund-1a lines 701-761)					
Depreciation (Fund-1a lines 802-805)					
Printing and Reproduction (Fund-1a lines 633 and 921)					
Advisory and Assistance Services (Fund-1a line 931)					
Rent, Communications, Utilities, and Miscellaneous Charges (Fund-1a lines 634, 671, 912, 913, 914, and 915)					
Other Purchased Services (All other Fund-1a lines)					
Total Operating Budget <sup>A/</sup>					
Less Depreciation					
Inventory Procurement Expenses (Supply Management Only)					
Total Obligations					

<sup>A/</sup> For Supply Management Activity groups, Total Operating Budget is for supply operations only. All entries on this form are obligations except for the costs of depreciation.

Exhibit Fund-1 Summary of Price and Program Changes – Costs  
(Page 1 of 2)



Instructions for Preparation of Exhibit Fund-1  
Summary of Price, Program, and Other Changes

This exhibit reflects the total operating costs/*expenses* (including reimbursements for non-Fund activity groups) to accomplish the work load. The Fund 1 is Summary Exhibit that consolidates the information from the Fund-1A. The components are required to address changes in cost/expenses between fiscal years as either price or program. Price changes are restricted by the inflation index published in OUSD(C) guidance with the exception of price increase resulting from another Working Capital Fund rate changes. In addition, components must reflect a depreciation expense for all capital benefiting the activity group. Both the Summary Exhibit (Fund-1) and the Detail Exhibit (Fund-1a), which reflects the costs/expenses incurred to support sales activity, are required for all activity groups except for Supply Management activity groups. For Supply Management Activity groups, all entries on this form are obligations except for depreciation and Inventory Procurement Expenses.

Exhibit Fund 1 Summary of Price and Program Changes – Costs (Continued)  
Page 2 of 2

Exhibit Fund-1a Details of Price and Program Changes - Costs

**Details of Price, Program, and Other Changes (Operating Budget) - Costs**  
**(\$ in Millions)**

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u> <u>Amount</u>	<u>Program &amp; Other Changes</u>	<u>Cost of Operations FY --</u>
	<u><b>MILITARY PERSONNEL COMPENSATION</b></u>				
010	Officer Composite – Civilian Equivalent Rates				
050	Enlisted Composite – Civilian Equivalent Rates				
	<b>Total Military Personnel Compensation</b>				
	<u><b>CIVILIAN PERSONNEL COMPENSATION</b></u>				
101	Executive, General, and Special Schedule				
103	Wage Board				
104	Foreign National Direct Hire (FNDH)				
105	Separation Liability (FNDH)				
106	Benefits to Former Employees				
107	Voluntary Separation Incentive Program				
110	Unemployment Compensation				
111	Disability Compensation				
112	Retirement Fund Offset ( <b>15%</b> of Employee’s final basic pay)				
121	Permanent Change of Station (PCS)				
	<b>Total Civilian Personnel Compensation</b>				
200	Cost of Inventory Sold				
	<u><b>TRAVEL</b></u>				
308	Travel of Persons				
	<b>Total Travel</b>				
	<u><b>MATERIAL &amp; SUPPLIES (FOR INTERNAL OPERATIONS)</b></u>				
401	DESC (Fuel)				
402	Service Fuel (Purchases From Other than DESC)				
411	Army Managed Supplies and Materials				
412	Navy Managed Supplies and Materials				
413	Non-capitalized Equipment Procured from DoD Sources				
414	Air Force Managed Supplies and Materials				

Note: For Supply Management Activity groups, all entries on this form are obligations except for the costs of depreciation.

Note: This category applies to Supply Management Activity Groups only and represents Inventory Procurement Expenses and not obligations to acquire inventory.

Note: For Supply Management Activity groups, all entries on this form are obligations except for the costs of depreciation.

Note: This category applies to Supply Management Activity Groups only and represents Inventory Procurement Expenses and not obligations to acquire inventory.

Exhibit Fund-1a Details of Price and Program Changes - Costs  
 (Page 1 of 6)

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)

**Details of Price, Program, and Other Changes (Operating Budget) - Cost**  
 (\$ in Millions)

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u>	<u>Amount</u>	<u>Program &amp; Other Changes</u>	<u>Cost of Operations FY --</u>
<b><u>MATERIAL &amp; SUPPLIES (FOR INTERNAL OPERATIONS) continued</u></b>						
415 DLA Managed Supplies and Materials						
416 GSA Managed Supplies and Materials						
421 Locally Purchased Supplies & Materials (Other than from Supply Management)						
422 Locally Purchased Non-capitalized Equipment						
<b>Total Material, Equipment &amp; Supplie</b>						
<b><u>EQUIPMENT PURCHASES</u></b>						
502 Army (Fund) Equipment						
503 Navy (Fund) Equipment						
505 Air Force (Fund) Equipment						
506 DLA (Fund) Equipment						
507 GSA Managed Equipment						
550 Commercial Purchases of Equipment						
<b>Total Equipment Purchased from the Fund</b>						
<b><u>CAPITAL INVESTMENTS BETWEEN BUDGET AND ACCOUNTING THRESHOLDS</u></b>						
560 Non-ADPE Equipment \$100,000 to \$249,999						
561 ADPE Equipment \$100,000 to \$249,999						
562 Software \$100,000 to \$249,999						
563 Minor Construction \$20,000 to \$99,999						
<b>Total</b>						
<b><u>OTHER REVOLVING FUND PURCHASES</u></b>						
601-699 (As follows:)						
601 Army Industrial Operations					Component	Army
603 DLA Distribution Depot (Army only)						Defense
610 Naval Air Warfare Center						Navy
611 Naval Surface Warfare Center						Navy
612 Naval Undersea Warfare Center						Navy
613 Naval Aviation Depots						Navy
614 Naval Space and Warfare Command						Navy

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)  
 (Page 2 of 6)

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)

**Details of Price, Program, and Other Changes (Operating Budget) - Cost**  
**(\$ in Millions)**

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth</u> <u>Percent    Amount</u>	<u>Program &amp; Other Changes</u>	<u>Cost of Operations FY --</u>
<u>Transportation:</u>					
620 Fleet Auxiliary Force		Navy			
621 Afloat Prepositioning Ships Navy/Marine Corps		Navy			
623 Special Mission Support		Navy			
624 Military Sealift Command		Navy			
653 Transportation (Airlift Services (Training))		Air Force			
630 Naval Research Laboratory		Navy			
631 Naval Facilities Engineering Service Center		Navy			
<u>Navy Base Support Services:</u>					
634 Facility Engineering - Utilities		Navy			
635 Facility Engineering - Other		Navy			
639 Facility Engineering (Composite Rate)		Navy			
637 Not Used		Navy			
640 Marine Corps Depot Maintenance		Marine Corps			
647 DISA Computing Services		Defense			
651 DFAS Information Services		Defense			
<u>Depot Maintenance:</u>					
661 Organic Operations		Air Force			
662 Contract		Air Force			
633 Document Automation and Productions Service (DAPS)		Defense			
670 Defense Automatic Addressing Systems		Defense			
671 DISA Telecommunications Subscription Service		Defense			
672 Purchases From Pentagon Reservation Maintenance Revolving Fund		Defense			
673 Financial Operations (DFAS)		Defense			

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)  
 (Page 3 of 6)

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)

**Details of Price, Program, and Other Changes (Operating Budget) - Cost**  
 (\$ in Millions)

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent    Amount</u>	<u>Program &amp; Other Changes</u>	<u>Cost of Operations FY --</u>
674 Distribution Depots (DLA)					Defense
675 Defense Reutilization and Marketing Services (DRMS)					Defense
676 Defense Commissary Operations					Defense
677 DISA Telecomm Services - Other, (Enterprise Acquisition Service Non-DISA)					Defense
678 Defense Security Service					Defense
680 Purchases from the Buildings Maintenance Fund					Defense
679 Cost Reimbursable Purchases					All
680-689 Other Activity groups (List)					All
<b>Total Other Fund Purchases</b>					

**TRANSPORTATION**

701 AMC Cargo	
702 AMC SAAM	
703 AMC JCS Exercises	
704 Defense Courier Service	
705 AMC Passengers	
709 MSC Afloat Prepositioning Ships (Army, Navy, Air Force, DLA)	
710 MSC Surge Sealift (FSS and LMSR)	
711 MSC Chartered Cargo	
712 MSC POL Tanker ships	
721 SDDC Cargo Operations	
725 SDDC Liner Ocean Transportation	
726 SDDC Global POV	
727 SDDC Other	
771 Commercial Transportation	
<b>Total Transportation</b>	
OCONUS Transportation-Supply Mgt only (Memo)	

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)  
 (Page 4 of 6)

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)

**Details of Price, Program, and Other Changes (Operating Budget) - Cost**  
**(\$ in Millions)**

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u>	<u>Amount</u>	<u>Program &amp; Other Changes</u>	<u>Cost of Operations FY --</u>
<b><u>CAPITAL INVESTMENT DEPRECIATION</u></b>						
802	Equipment, except ADPE and Telecommunications Equipment (depreciation)					
803	ADPE and Telecom Resources (depreciation)					
804	Software Development (depreciation)					
805	Minor Construction (depreciation)					
806	Improvements Made to Land					
	<b>Total Capital Investment Depreciation</b>					
<b><u>OTHER PURCHASED SERVICES</u></b>						
901	Foreign National Indirect Hire (FNIH)					
902	Separation Liability (FNIH)					
912	SLUC (GSA Leases)					
913	Purchased Utilities (non-Fund)					
914	Purchased Communications (non-Fund)					
915	Rents & Leases (non-GSA)					
917	Postal Services (U.S.P.S.)					
921	Printing & Reproduction					
922	Equipment Maintenance by Contract					
923	Facility Maintenance by Contract					
927	Air Defense Contracts and Space Support (AF)					
928	Ship Maintenance by Contract					
929	Aircraft Rework by Contract					
930	Other Depot Maintenance (non-Fund)					
931	Contract Consultants					
932	Management and Professional Support Services					
933	Studies, Analysis, and Evaluation					
934	Engineering Technical Services					
941	Technical Drawings (Supply Operations only)					

Exhibit Fund-1a Details of Price and Program Changes – Costs (Continued)  
 (Page 5 of 6)

**Details of Price, Program, and Other Changes (Operating Budget) - Cost**  
**(\$ in Millions)**

	<u>Cost of Operations FY --</u>	<u>Annualization of Pay Raises</u>	<u>Price Growth Percent</u> <u>Amount</u>	<u>Program &amp; Other Changes</u>	<u>Cost of Operations FY --</u>
942 Forgings & Castings (Supply Operations only)					
969 Other Engineering Services & Support					
989 Other Contracts					
998 Other Costs (List and identify items over \$10,000)					
Total Other Purchases					
<b>TOTAL COST OF OPERATIONS</b> (Includes Reimbursements)					

Exhibit Fund-1a Details of Price and Program Changes – Cost (Continued)s  
 (Page 6 of 6)

Definitions of Fund-1a Categories - Cost Details of Price, Program, and Other Changes (Operating Budget)

**Definitions of Fund-1a Categories - Cost  
Details of Price, Program, and Other Changes (Operating Budget)**

General. The Fund-1 and Fund-1a Exhibits reflect the total costs/expenses of supporting the applicable activity group for each fiscal year PY, CY, and BY. Changes in cost between years must be address as price or program driven. All activity groups will report the amortized capital costs (depreciation expense) of the activity for the capital investments benefiting the activity group. All entries are costs except for Supply Management activity groups. For Supply Management activity groups, all entries are obligations except for the costs of depreciation. Round data to the nearest tenth of a million (e.g., show \$10.4 million, not \$10 million).

Military Personnel Compensation - The elements of cost to be included in the calculation of Military Personnel composite enlisted and officer rates can be found in chapter 26 of the DoD Accounting Manual.

Civilian Personnel Compensation - The elements of cost now include VERA and RIF costs as well as the costs to offset the short-term costs of buyouts.

112 - 15 percent of the final basic pay of each employee who takes a buyout and voluntary early retirement under the Civil Service Retirement System (CSRS).

Cost of Inventory Sold – This applies to Supply Management Activity Groups only and represent the cost of Inventory Procurement Expenses (not obligations).

Material, Equipment, & Supplies - These elements support the internal material, equipment, and supply costs associated with operation of the associated supply activity. Distinguish between expenses associated with material purchased from Fund businesses and that purchased from non-Fund businesses.

413 - For equipment purchases of less than \$250,000 per item. Equipment costing more than \$250,000 per item will be capitalized and depreciated under element 801.

Other Purchases

941 - The amount entered for Technical Drawings will agree with the amount for this element in supporting budget justification materials.

942 - The amount entered for Forgings and Castings will agree with the amount for this element in supporting budget justification materials.

War Reserve Material Sales - Enter the amount for this element of expense supported by budget justification materials and included in operating budget totals. Other pertinent information is explained below: Exhibits are required to show changes from the prior year to the current year, the current year to the BY.

Elements of expense for which there are no costs should be excluded from the data submitted (rather than included with an amount of zero).

Exhibit Fund-1a Details of Price and Program Changes – Costs  
(Page 1 of 2)



Definitions of Fund-1a Categories - Cost Details of Price, Program, and Other Changes (Operating Budget) (Continued)

- Elements of expense 601-699 should be used for purchases from Working Capital Fund Activity Groups other than supply operations to support the internal operations of the activity group. Purchases by supply operations from depot maintenance businesses should be included in category 600. Purchases from the supply operations business to support the internal operations of the business should be reported in category 400.

Lines 601-676 and 680-689 should include purchases made at stabilized rates. Cost reimbursable purchases should be included in line 699.

- Purchases of engineering services, other than those shown on lines 931-934 should be included on line 969, Other Engineering Services and Support.

The Fund-1a data will be submitted via the Select and Native Programming Data Input System (SNaP) located at <https://snap.pae.osd.mil>. The most current version of this exhibit will be found at this site.

Changes in the Costs of Operation

**Changes in the Costs of Operation**

**Component/Activity group:**

**Date:**

**(Dollars in Millions)**

**Expenses**

FY PY Estimated Actual

FY CY Estimate in President's Budget:

Estimated Impact in FY CY of Actual

FY PY Experience:

List

Pricing Adjustments:

Civilian Personnel

Fuel Price

Program Changes:

List

FY CY Current Estimate:

Pricing Adjustments:

Annualization of Prior Year Pay Raises

FY BY Pay Raise

Civilian Personnel

Military Personnel

Fund Price Changes

General Purchase Inflation

Other Price Changes (list)

Productivity Initiatives and Other Efficiencies:

Productivity Initiative 1

Fund Productivity

Etc.

Changes in the Costs of Operation

(Page 1 of 2)

## Changes in the Costs of Operation (Continued)

Program Changes:

Change 1

Etc.

Other Changes:

Depreciation

Other (list)

FY BY Estimate:

This exhibit will explain the changes in the operating budget (expenses) from one fiscal year to the next at a meaningful level of detail, relating program changes to changes in the level of work load (Unit Cost outputs) to the maximum extent possible. A Fund-2 exhibit for each Fund activity group is required. Of particular interest are the strategies and plans to improve activity group productivity and quality. Accordingly, the cost impacts of productivity initiatives should be separately identified on this schedule. Each activity group should include a paragraph outlining major productivity improvement plans and associated resources including but not limited to capital investment, education and training initiatives, process improvement, consolidation and streamlining, work force motivation, and incentives.

Provide a narrative explanation for changes. Round data to the nearest tenth of a million (e.g., show \$ 10.4 million, not \$ 10 million).

For changes in cost due to productivity initiatives, list the detailed initiatives and amounts for each. Distinguish the cost reductions associated by individual productivity initiatives.

Changes in the Costs of Operation (Continued)  
(Page 2 of 2)

Exhibit Fund-3 Labor and Unit Cost Breakdown

**Labor and Unit Cost Breakdown**  
**Component:** \_\_\_\_\_  
**Activity group:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

(\$ in Millions)

	<u>Direct</u>		<u>Indirect</u>		<u>Gen &amp; Adm</u>			<u>Workload</u>	<u>Unit</u>
	<u>Labor 1/</u>	<u>Nonlabor 2/</u>	<u>Labor 1/</u>	<u>Nonlabor 2/</u>	<u>Labor 1/</u>	<u>Nonlabor 2/</u>	<u>Total</u>	<u>Indicator</u>	<u>Cost</u>
<b>FY PY</b>									
<b>FY CY</b>	<p><u>1/</u> Includes military and civilian compensation</p> <p><u>2/</u> Breakout non-labor into the following categories: Material, Contractual Services, Depreciation, Other</p> <p>List total Direct, Indirect, and General and Administrative expenses by year. The distinction between these elements of cost is based on the 15 October 1990 Unit Cost Resourcing Guidance, or approved Unit Cost Task Group Mapping.</p>								
<b>FY BY</b>	<p><b>For Supply Management Activity groups, all entries on this form are in obligations with the exception of depreciation. Workload may be expressed in Direct Labor Hours or other meaningful measure for the activity group. Unit Cost will equal total cost divided by total workload measure for each fiscal year.</b></p>								

**Area Personnel Breakdown**

	<u>Direct</u>	<u>Indirect</u>	<u>Gen &amp; Adm</u>	<u>Total</u>
<b><u>FY PY</u></b>				
Civilian FTEs				
Civilian End Strength				
Military End Strength				
<b><u>FY CY</u></b>				
Civilian FTEs				
Civilian End Strength				
Military End Strength				
<b><u>FY BY</u></b>				
Civilian FTEs				
Civilian End Strength				
Military End Strength				

 Exhibit Fund-3 Labor and Unit Cost Breakdown  
 (Page 1 of 2)

Exhibit Fund-3 Labor and Unit Cost Breakdown (Continued)

Instruction for the Preparation of Exhibit Fund-3  
Labor and Unit Cost Breakdown

The Fund-3 exhibit stratifies, by fiscal year, the total activity group costs in the operating budget by Direct, Indirect, and General and Administrative (G&A) categories. In addition it displays total workload in terms of direct labor hours or other measure and the applicable unit cost. For the G&A category, only the personnel carried in and paid for by the activity group should be reflected in the personnel strength numbers. This includes personnel paid from the activity group payroll such as assigned security guards and personnel working in the office of the activity group director. However, this does not include the personnel assigned to a general & administrative activity that provides base operations support to the activity group unless they are carried in the end strength of the business activity.

The Fund-3 data will be submitted via the Select and Native Programming Data Input System (SNaP) located at <https://snap.pae.osd.mil>. The most current version of this exhibit will be found at this site.

Exhibit Fund-3 Labor and Unit Cost Cost Breakdown  
(Page 2 of 2)

## Exhibit Fund-5 Total Cost Per Output Summary

**Total Cost Per Output Summary****Component:** \_\_\_\_\_**Activity group:** \_\_\_\_\_**Date:** \_\_\_\_\_

(\$ Millions)

	<b>Work load</b>			<b>Unit Cost</b>			<b>Total Cost</b>		
	<b>PY</b>	<b>CY</b>	<b>BY</b>	<b>PY</b>	<b>CY</b>	<b>BY</b>	<b>PY</b>	<b>CY</b>	<b>BY</b>
Output									
Operating Budget									
List each output whether measured or not.	Estimated work load for measured outputs.			Estimated unit cost for measured outputs.			Estimated total cost for measured and unmeasured outputs. O&M functions must include reimbursable outputs.		
	-----			-----			-----		
Total Operating Budget	No Data Entry			No Data Entry			Sum the total estimated cost for all outputs. O&M-funded activities must include reimbursable outputs.		
	=====			=====			=====		
Capital Budget	No Data Entry			No Data Entry			List the estimated total capital budget.		
	=====			=====			=====		

This exhibit specifies, by fiscal year, the operating budget by the costs and outputs associated with each activity group. Total costs on this exhibit will add to the operating budget total. Enter the total capital budget amount (authority) as the last item in the table. Exhibit Fund-5 corresponds to the funding document that will be issued for those activity groups that have a limited number of outputs. Exhibit Fund-5 Total Cost Per Output Summary

Exhibit Fund-5 Total Cost Per Output Summary  
(Page 1 of 1)

Exhibit Fund-6: Depot Maintenance-Six Percent Capital Investment Plan

COMPONENT: \_\_\_\_\_

## DEPOT MAINTENANCE-SIX PERCENT CAPITAL INVESTMENT PLAN

(\$ In Millions)

REVENUE			BUDGETED CAPITAL			DIFFERENCE		
<u>3 YEAR AVERAGE</u>								
<u>Prior</u>	<u>Current</u>	<u>Budget</u>	<u>Prior</u>	<u>Current</u>	<u>Budget</u>	<u>Prior</u>	<u>Current</u>	<u>Budget</u>
<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
PY(-1)	CY(-1)	BY(-1)						
PY(-2)	CY(-2)	BY(-2)						
PY(-3)	CY(-3)	BY(-3)						
Divide by 3								
Revenue								
Working Capital Fund								
Appropriations								
Total Revenue								
WCF Depot Maintenance Investment Categories			*	*	*			
Facilities Sustainment, Restoration and Modernization			*	*	*			
Equipment (Exhibit Fund 1a-500 lines)			*	*	*			
Capital Investment Program			*	*	*			
Productivity Enhancements			*	*	*			
Military Construction			*	*	*			
Total WCF Investment			*	*	*			
Appropriated Funding			*	*	*			
(List by Appropriation)								
Component Total			*	*	*	*	*	*
NOTE:								
*: Required data								

Exhibit Fund-6: Depot Maintenance-Six Percent Capital Investment Plan  
(Page 1 of 3)

## Exhibit Fund-6: Depot Maintenance-Six Percent Capital Investment Plan (Continued)

**Instructions for the Preparation of Exhibit Fund-6, Depot Maintenance –Six Percent Capital Investment Plan**

The purpose of the Exhibit Fund-6, Depot Maintenance-Six Percent Capital Investment Plan, is to provide and identify minimum capital investment levels for the Department's maintenance depots. Instructions for preparation of Exhibit Fund-6 are as follows:

1. Prepare a Exhibit Fund-6 for all maintenance depots to include Army Depots, Navy Aviation Depots, Navy Shipyards, Marine Corps Depots, and Air Force Depots.
2. Dollars in millions and tenths of a million.
3. The following will be defined:
  - a. Revenue: Total actual (AR 1307 Report) or projected revenue (Exhibit Fund-14) including approved supplemental appropriation support for Defense Working Capital Fund (DWCF) business activities. Depot maintenance funded through appropriations will include all funding for depot maintenance.
  - b. Revenue (3 Year Average): The preceding three years of actual or estimated revenue divided by three for Prior Year, Current Year, and Budget Year columns under Budgeted Capital.
  - c. Categories:
    - (1). **Facilities Sustainment, Restoration and Modernization-** This includes repair and maintenance for day to day operations but does not include the minor reoccurring maintenance. Minor reoccurring maintenance examples are changing light bulbs, toilet seals, and window screens. This also includes Other Purchases Services/Facility Maintenance by Contract (Line 923).
    - (2). **Equipment** (Fund 1a - 500 lines) - These fall into three categories: A) Equipment purchases by the depots which fall under the expense/investment threshold required by the Capital Investment Program guidance; B) Equipment purchases by other organizations which fall under the expense/investment threshold; C) Equipment bought by other organizations for use in repairing or maintaining depot type workload that are above the expense/investment threshold (typically procurement funded).
    - (3). **Capital Investment Program** - This includes all items purchased by a revolving fund with a unit cost that equals or exceeds the expense/investment threshold established by Congress and has a useful life of more than two years. The categories include: Non-ADPE Equipment, Automated Data Processing Equipment (ADPE), Automated Data Processing Software, and Minor Construction. The investment threshold is \$250K for everything except Minor Construction which remains at \$100K.

Exhibit Fund-6 Depot Maintenance-Six Percent Capital Investment Plan (Continued)  
(Page 2 of 3)



## Exhibit Fund-6: Depot Maintenance-Six Percent Capital Investment Plan (Continued)

(4). **Productivity Enhancements-** These investments include Lean Six Sigma and other initiatives. These enhancements will include process improvements and purchase/improvement of equipment and facilities. This includes Air Force Depot Maintenance Transformation.

(5). **Military Construction (MILCON)** - This appropriation is a multiple year appropriation available for obligation for five years. MILCON projects require authorizing and funding (appropriation) legislation and include planning, design, and construction.

d. Difference column: represents total revenue times applicable depot maintenance percentage minus depot maintenance capital investment. The capital investment percentage of 6 percent is specified in Section 332 of the National Defense Authorization Act for FY 2007. It is codified as permanent law.

e. Capital investments for appropriated activities should include similar items from the applicable Procurement or Operation and Maintenance budget exhibits.

4. A narrative should be included with the Exhibit Fund-6 to address the following:

a. A specification of any statutory, regulatory, or operational impediments to achieving the minimum percentage requirement.

b. A description of the benchmarks for capital investment established for each covered depot and military department and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

c. If the minimum percentage requirement is not met for a military department for the fiscal year covered by the report, a statement of the reasons why the requirement was not met and a plan of actions for meeting the requirement for the fiscal year beginning in the year in which the report is submitted.

5. The legislation provides waiver authority for the Secretary of Defense if the Secretary determines that the waiver is necessary for reasons of national security and notifies congressional defense committees.

Exhibit Fund-6 Depot Maintenance-Six Percent Capital Investment Plan (Continued)

(Page 3 of 3)

Exhibit Fund-7a Summary of Sources of Revenue

**FOR DEPOT MAINTENANCE BUSINESS AREAS ONLY**

Activity group: \_\_\_\_\_

FY \_\_\_\_

Prior Year Stabilized Rate (\$)	Direct Labor Hours (000) Carry-in	Revenue Carry-in Orders (\$ Mil)	Proposed New Order Rate (\$)	Direct Labor Hours (000) Total New Orders Accepted	Revenue Total New Orders (\$ Mil)	New Orders Accepted but Not Worked (\$ Mil) <u>1/</u>	Proposed Carry-out Rate (\$ Mil)	DLHs (000) Carry- out <u>2/</u>
--	---	---	---------------------------------------	---	---	--	---	--

**Funding Source****Parent Service**

(List customers by appropriation, fund, or other sources. All orders must match the OP-21 exhibit in total.)

**Other DoD Services**

(List by Service. Show by appropriations, fund, or other source.)

**Other DoD Agencies**

(List by agency.)

**Other DoD Funds**

(List by Fund, i.e., Navy Supply Management, Air Force Depot Maintenance, etc.)

**Non DoD Agencies,  
Individuals & Others****Total**1/ These orders are included within Total New Orders Accepted, but are not programmed for execution during the budget year.2/ This column would include all orders from column 7 (New Orders Accepted but Not Worked), plus any additional multi-year orders funded in prior years (FY-1, etc.), but still not programmed for execution in this fiscal year.Exhibit Fund-7a Summary of Sources of Revenue  
(Page 1 of 2)

Exhibit Fund-7a Summary of Sources of Revenue (Continued)

### Instructions for Completing the Fund-7a, Summary of Sources of Revenue

Separate fiscal year exhibits are required for the prior year, current year, and budget year.

Revenue from carry-in orders at the beginning of the fiscal year must equal the carry-out balance at year-end for the previous fiscal year. New customer orders should be priced at the rate used in the Components' customer account request (see guidance on setting rates). Carry-out orders should be priced based on the pricing guidance. Because carry-out orders cannot be billed until accomplished, the sum of the revenue derived from carry-in orders, new orders planned for execution in this fiscal year, and the other column should equal total revenue from orders for the fiscal year. Other revenue includes pass-through, direct funding, and cost reimbursable orders that are not subject to stabilized rates.

Direct labor hours (DLHs) for carry-in work include only carry-in (balance on hand beginning of the year) anticipated to be executed during the program year. For multiyear projects, that portion of carry-in programmed for execution in future years should be added to carry-out work load. Show new customer order received from each appropriation, agency, or fund, as applicable. Any new customer orders not programmed for execution during the programmed fiscal year should be included in the carry-out category.

Revenue amounts must agree with the applicable Revenue and Expense Exhibits (Fund-11) and with Summary of Price and Program Changes Exhibits (OP-32). (See pricing and customer account guidance in the DoD Financial Management Regulation and in the budget guidance.)

The prior year stabilized rate is the DoD composite revenue rate set in the prior year(s) budget(s). If carry-in from more than one year is involved, provide the weighted average based on the number of DLHs and the rate applicable for each year. If all carry-in was at the same rate, then only one entry is required at the top of the column. If the business has established sub-composite rates (that make up the DoD stabilized rate) such as a rate by major commodity or product (engines, airframes, components, etc.), these sub-composite rates may be used in the "Prior Year Stabilized Rate" column if grouped by customer or appropriation.

The reporting of carryover balances is no longer included in this exhibit. Depot Maintenance, Ordnance and Research and Development activities use the Fund-11a exhibit - Carryover Reconciliation, to justify carryover estimates. Exhibit format and preparation instructions are found later in this chapter.

Exhibit Fund-7a Summary of Sources of Revenue (Continued)  
(Page 2 of 2)

Exhibit Fund-7b Customer Rate Computations

**CUSTOMER RATE COMPUTATIONS****Department of (Component Name)****Activity group: \_\_\_\_\_****New Order  
FY**

<u>Adjustment</u>	<u>Direct Labor Hours</u>	<u>Program Cost</u>	<u>Rate (\$)</u>
Prior Year Stabilized Rate:			\$xx.xx
1. Total programmed Direct Labor Hours (DLHs) anticipated to be executed during the fiscal year:	xxx,xxx,xxx		
2. Total Cost of Goods Sold during year:		\$xxx,xxx,xxx	
3. Minus DLHs associated with carry-in orders:	- xxx,xxx		
4. Minus non-stabilized rate revenue and revenue from carry-in orders at prior year composite rate: (including BRAC funding, direct reimbursables, UPC funds, passthroughs, etc.)with related DLHs:		-\$ xx,xxx,xxx	
BRAC	xxx.xxx	xxx,xxx	
Passthroughs	xxx,xxx	xxx,xxx	
Direct Reimbursables (List)	xxx,xxx	xxx,xxx	
5. Total Direct Labor Hours for New Orders accepted and programmed for execution this year (Line 1 minus line 3 minus line 4):	xxx,xxx,xxx		
6. Adjusted Cost of Goods Sold(Line 2 minus line 4):		\$xxx,xxx,xxx	
7. Cost Per Direct Labor Hour for New Orders: (line 6 divided by line 5).			\$xx.xx

Exhibit Fund-7b Customer Rate Computations  
(Page 1 of 2)

Exhibit Fund-7b Customer Rate Computations (Continued)

**CUSTOMER RATE COMPUTATIONS****Department of (Component Name)****Activity group: \_\_\_\_\_**

<u>Adjustment</u>	<u>Direct Labor Hours</u>	<u>Program Cost</u>	<u>Rate (\$)</u>
8. Adjustment for prior year gains or losses necessary to achieve an end-of-year AOR of zero for the budget year: Step 8 is calculated as follows: (a) Take the previous year end-of-year AOR and add to that any new surcharges required.		+/- \$xxx,xxx,xxx	
If an activity proposes to recover an operating loss over more than one fiscal year, the total operating loss and the amount carried to the next fiscal year must be displayed.			
9. Rate Based Revenue Required (the sum of Line 7 and line 8):		\$xxx,xxx,xxx	
10. New Customer Order Stabilized Rate (Cost Per Direct Labor Hour):			\$xx.xx
This rate is calculated by dividing line 9 by the DLHs from line 5.			
11. Percentage rate change from prior year:			+/- xx.xx%
(Line 10 rate divided by Line 1 rate) minus 1.			

Navy Research and Development Rates. The Navy will include the total composite rate change for the Research and Development activity group in addition to the stabilized rate (for work performed in-house only) in the budget estimates submission. Activity groups may separately propose and justify rates by activity or product line provided the total for all rates ties back to the activity group composite rate.

Depot Sales to Private Entity Partners. Anticipated revenue of DoD depot maintenance activities from sales to private sector entities as part of public-private partnership arrangements shall be separately listed under line 4 of this exhibit. In addition, DWCF depot budget submissions shall include an attachment to this exhibit delineating existing public/private partnership arrangements, anticipated cost revenue, and the elements of cost included in sale prices charged to private entity partners.

Exhibit Fund-7b Customer Rate Computations (Continued)  
(Page 2 of 2)

Exhibit Fund-8b Air Mobility Command Common User Services

**AIR MOBILITY COMMAND (AMC)  
COMMON USER TRANSPORTATION SERVICES  
DEFENSE WORKING CAPITAL FUND SUMMARY  
DATE: \_\_\_\_\_  
\_\_\_\_\_**

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
I. Cost of Operations			
Outputs:			
Cost per Trained Flight Crew (1)			
• C-5			
• C-130 (CONUS)			
• C-17			
Other Outputs/Augmentation			
• Channel Passenger Movement			
• Channel Cargo			
• Special Assignment Airlift Missions (SAAMs)			
• Joint Chiefs of Staff Exercises			
Other Outputs/Organic (2)			
• Channel Passenger Movement			
• Channel Cargo			
Special Assignment Airlift Missions (SAAMs)			
• Joint Chiefs of Staff Exercises			
Support to Others/Base Operations (3)			
Air Refueling Tankers			
Aeromedical Evacuation			
Commercial Mail Service			
<b>Total Costs</b>			

Exhibit Fund-8b Air Mobility Command Common User Services  
(Page 1 of 2)

Exhibit Fund-8b Air Mobility Command Common User Services (Continued)

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
II. Revenue			
Cost per Trained Flight Crew (1)			
• C-5			
• C-130 (CONUS)			
• C-17			
Other Outputs/Augmentation			
• Channel Passenger Movement			
• Channel Cargo			
• Special Assignment Airlift Missions (SAAMs)			
• Joint Chiefs of Staff Exercises			
Other Outputs/Organic (2)			
• Channel Passenger Movement			
• Channel Cargo			
Special Assignment Airlift Missions (SAAMs)			
• Joint Chiefs of Staff Exercises			
Support to Others/Base Operations (3)			
Air Refueling Tankers			
Aeromedical Evacuation			
Commercial Mail Service			

**Total Rate Based Revenue**

III. Appropriation Request (Total Costs - Revenue): This request should be listed by output. The objective is to determine the request which is needed to fund the difference between the actual costs of flying AMC planes versus the revenue which is generated by commercially based rates.

Notes:

- (1) The cost per trained flight crew includes all organic airlift costs including estimated overhead for Base Operations and AMC Headquarters).
- (2) Provide estimated costs for airlift missions required solely for purposes of meeting customer demand such as disaster relief (e.g., Provide Hope, Provide Comfort, etc.).
- (3) Estimated Base Operations costs incurred in support of tenants. Base Operations costs in support of the AMC missions should be included in the total cost of the missions supported.

Exhibit Fund-8b Air Mobility Command Common User Services  
(Page 2 of 2)

Exhibit Fund 9a Activity group Capital Investment Summary

<u>Line Number</u>	<u>Item Description</u>	PY		CY		BY	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	Prior Year requires Line Items Detail for all categories Equipment Capabilities - Replacement - Productivity - New Mission - Environmental ADPE & Telecom Equip Capabilities Computer Hardware (Production) Computer Software (Operating System), Telecoms, Other Computer & Telecom Support Equip. Software Development List Separately Internally Developed Externally Developed Minor Construction Capabilities - Replacement - Productivity - New Mission - Environmental <b>TOTAL OBLIGATIONS*</b> <b>Capital Outlays (below threshold)</b> <b>Capital Outlays (above threshold)</b> Total Capital Outlays Total Depreciation Expense						

\*Fund 9a Summary exhibit must reconcile to the Fund 9b project justification.

 Exhibit Fund 9a Activity group Capital Investment Summary  
 (Page 1 of 5)



Exhibit Fund 9a Activity group Capital Investment Summary (Continued)

**Instructions for the Fund-9a Exhibit  
Capital Investment Summary**

**I. General:**

A. The summary item description on the 9a must correspond to the individual 9b descriptions and amount must equal. All Prior Year projects will be shown by line item detail cross-referenced to the capability and corresponding 9b. In addition, the ADPE and Telecommunications equipment and software development Fund-9b Exhibit line number assigned should also be used for cross-referencing within the Information Technology Exhibits as outlined in Chapter 18 of this regulation. Use the approved Defense Working Capital Funds activity group name. The four major categories for Capital Investment Programs are as follows:

1. Software Development > \$250K

a. Software Development shall be shown by line item detail for projects equal to or greater than \$1 million. All software projections must comply with Business Transformation Agency and NII requirements/approvals.

b. Software development under \$1 million and that do not need BTA and NII approval, one 9B may be submitted with a general statement of the capabilities that will be provided. In addition, the 9Bs must include system delivery date/s. If it is a spiral development then the all delivery dates and amounts to be capitalized will be included in the 9Bs.

2. ADPE & Telecommunications > \$250K

a. ADPE and Telecommunications Equipment Component may provide one 9B that include cost estimates for the following categories: (1) Computer Hardware (Production), (2) Computer Software (Operating System), (3) Telecommunications, and (4) Other Computer and Telecommunications Support Equipment. 9b narrative may address projects under \$1,000,000 by category

b. Items that exceed \$1,000,000 will be addressed separately in the narrative.

3. Non-ADPE & Telecommunication Equipment > \$250K

Equipment, other than ADPE and Telecommunications Resources. A separate 9B will be provided for each capability. Each capability will include cost estimates for the following subcategories: Replacement Equipment; Productivity Equipment; New Mission Equipment; and Environmental Compliance.

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)  
(Page 2 of 5)

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)

4. Minor Construction > 100K and equal to or less than \$750K

a. Minor Construction will be combined into one 9B with no line item detail required, but must be broken out by capability. The 9B must contain a statement that no Minor Construction project exceeds the current MILCON threshold.

b. All special categories of minor construction will be listed and justified separately.

II. Policy:

A. Section 090103, Policy, provides specific guidelines in deciding whether or not to include an item in the capital budget, and the necessary pre- and post-investment analysis required to substantiate a capital budget request. Specific rules regarding depreciation of Capital Assets are found in paragraphs 090103B(1)-(8) and Volume 4 Chapter 6.

III. Definitions

A. Definitions for these capital budget categories are provided below:

1. Equipment, other than ADPE and Telecommunications Resources, costing \$250,000 or more will be capitalized and depreciated. Equipment will be categorized by capabilities. Estimates for the following subcategories must be provided by capability.

2. Replacement Equipment should be systematically analyzed and alternatives considered meeting the replacement requirement in the most cost-effective manner supported by an economic analysis. The level of effort devoted to this analysis should be related to the dollar value of the proposed investment and should employ traditional capital investment evaluation techniques such as net present value and internal rate of return analysis. In the situation where a new piece of equipment being considered significantly exceeds the capability of existing equipment, the repair versus purchase decision should be justified in the category "Productivity Equipment".

3. Productivity Equipment consists of equipment that significantly exceeds the efficiency or capability of existing equipment and should be supported by an economic analysis comparing the net present values of alternatives considered by the decision maker. Productivity equipment reduces the cost of operations of the business activity, thereby reducing cost per unit of output, or results in a product or service improvement that reduces the customer's cost of use.

4. New Mission Equipment is equipment needed to support an increase in work load or a new mission that cannot be adequately accomplished with the existing equipment. Purchase decisions should be supported, where applicable, with a thorough and systematic analysis of the alternatives available to satisfy the requirement in the most cost-effective manner.

5. Environmental Compliance Equipment is equipment needed to correct or forestall a condition in violation of local, state or federal statutes and regulations. Rather than an economic analysis, a description of the possible violation ought to be included and how the particular item of equipment will remedy the situation.

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)  
(Page 3 of 5)

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)

6. ADPE and Telecommunications Equipment:

a.. ADPE and Telecommunications Equipment having a system unit or life cycle cost of \$250,000 or more will be capitalized and depreciated.

b. ADPE and telecommunications resources consist of computer hardware, operating system software (including utility and communications software) and telecommunications equipment as defined in OMB Circular A-11.

c. ADPE costs will be displayed in four parts: (1) Computer Hardware (Production), (2) Computer Software (Operating System), (3) Telecommunications, and (4) Other Computer and Telecommunications Support Equipment. The last category includes investments such as uninterrupted power sources and air conditioning that must be purchased to support computer and telecommunications resources.

7. Software Development/Modernization with a system unit or lifecycle cost of \$250,000 or more will be capitalized and depreciated. Internally developed software and externally developed Software will be listed separately.

a. Software development includes the actual development and acquisition of the information system as defined in OMB circular A-11. This category does not include software developed for a customer for use in a weapon system.

b. Software development/modernization will be budgeted by project. A project is defined as any change, modernization, or improvement to a system, subsystem or severable

module of a system that by itself will provide an economic benefit or improvement in a business process. This must include all changes or improvements needed to interface or integrate with other ancillary systems. A project has a start and stop date, a specific amount of funds, and results in a usable end product. The full scope of a software development project may consist of efforts in any or all of the following three phases:

- (a) Preliminary Design Phase
- (b) Software Development Phase and
- (c) Post Implementation/Operational Phase

c. While the full cost of a project will be considered in the planning of the project, only software development phase will be capitalized. The specific definitions of the phases of a project are found in section 090103C4 (a) of this volume.

d. Costs to be included in a software development project include the total labor and non-labor costs such as: (a) all direct cost for civilian and military personnel; (b) contractor labor; (c) supplies; (d) travel; (e) processing support for testing; (f) indirect costs; and (g) general and administrative costs (e.g., base operations support, higher headquarters, and depreciation for central design activity-owned assets). Software development/modernization projects will exclude ADPE and maintenance/operations costs. These will be identified separately in the ADPE and telecommunications section of the Fund-9a and Fund-9b.

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)  
(Page 4 of 5)

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)

8. Minor Construction projects financed by the activity group and costing from \$100,000 to \$750,000 (\$2,000,000 for approved DoD Laboratory Revitalization Program projects) will be capitalized and depreciated. In the year of execution the Director for OUSD (C) Revolving Funds may approve capital investment reprogramming request for Minor Construction projects costing up to \$1,500,000 if the project is required to correct a deficiency that is life-threatening, health threatening, or safety threatening. Where appropriate, minor construction decisions should be supported by an economic analysis.

#### IV. Column Entries

A. Item Description. Enter the capabilities projects/item are supporting or the proper nomenclature, or descriptive title of Software projects to be procured.

B. Quantity. As applicable, enter the quantity of items procured/estimated to be procured during, as FY PY, FY CY, and FY BY.

C. Cost. Enter the estimated total cost of the applicable quantities procured/estimated to be procured during FY PY, FY CY, and FY BY, as applicable. This amount should reflect all costs associated with program changes through the date of preparation of the exhibit regardless of whether such changes have been previously reported. Costs will be expressed in millions of dollars, to the nearest tenth (i.e., \$2.6 million).

D. Capital Outlays – For each fiscal year, indicate the estimated total cash outlays for all capital budgeted items (above and below threshold) expended in that fiscal year regardless of the year in which the project was originally obligated.

E. Depreciation Expense – For each fiscal year, show the estimated depreciation expense that will be included in customer rates for all capital assets (above and below threshold) in that year. This amount will agree with the depreciation expense reported on the Revenue and Expense Statement (Fund 14) and in the Depreciation Expense Section of the Fund 1A. As a general rule, a capital asset starts depreciating during the month following the month when the asset was installed and ready for use. For software however, depreciation will begin the month that final acceptance testing has been completed. If software is delivered in modules, depreciation will begin when a module provides a usable function to the component's activity.

Exhibit Fund 9a Activity group Capital Investment Summary (Continued)  
(Page 5 of 5)

## Exhibit Fund-9b Activity group Capital Purchase Justification

* ACTIVITY GROUP CAPITAL INVESTMENT JUSTIFICATION (\$ in Thousands)				A. Budget Submission					
B. Component / Business Area / Date			C. Line No. & Item Description				D. Activity Identification		
Element of Cost	FY PY			FY CY			FY BY		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Non-ADPE & Telecom Capability									
Replacement									
Productivity									
New Mission									
Environmental									
ADPE and Telecommunications Capability									
Computer Hardware (Production)									
Computer Software (Operating System)									
Telecoms, Other Computer & Telecom Support Equip.									
Software Development (line item -- by project)									
Minor Construction Capability									
Replacement									
Productivity									
New Mission									
Environmental									

**Narrative Justification:**

This exhibit will provide detailed justification by line item in support of summary capital investment purchases shown on the Fund-9a Exhibit.

- Describe the capability afforded by the existing equipment/ADPE and telecommunications resources/software development/facility and the shortcomings inherent in the current situation.
- Describe the benefits to be realized from the proposed capital investment.
- Indicate whether an economic analysis or cost analysis has been performed and, if not, why not. Summarize the net present value advantages of the proposed investment over alternatives considered and discarded. Be prepared to provide a copy of supporting economic analysis upon request.
- For MILCON projects, provide a copy of the supporting Form 1391 for new projects not previously submitted or identified.
- Describe the impact of not making the proposed capital investment.
- For computer software, separately identify license fees.

**Exhibit Fund-9b Activity Group Capital Purchase Justification**

Exhibit Fund-9b Activity group Capital Purchase Justification  
(Page 1 of 3)

Exhibit Fund-9b Activity group Capital Purchase Justification (Continued)

**Instructions for the Preparation of Exhibit Fund-9b  
Capital Investment Justification**

**I. General**

A. The purpose of this exhibit is to provide narrative justification in support of each capability or where appropriate line item detailed on the Fund-9a. A separate 9b justification is required for each capability or as applicable for software investments. For ADPE telecommunication equipment items that are equal to or greater than \$1,000,000.00, a separate 9b is not required, but components must include line item breakout within Element of Cost on the 9b (as shown in example 9b). Software projects over \$1,000,000.00 and/or that need Business Transformation Agency (BTA) and/or Networks and Information Integration (NII) approval are required to be line itemed with individual 9bs. It is important that the Fund-9b be completed and accurate as it is the primary justification for activity group's capital purchases.

B. Separate Fund-9b exhibits will be submitted for each capability or line item on the Fund-9a where there is an entry in either the current year or budget year(s) columns. Prior year capital investments do not require 9bs.

**II. Headings**

A. For "Program and Budget Review," insert "FY XX OSD/OMB submission" (XX is used for illustration purposes only. Insert the applicable fiscal year in lieu of XX).

B. Identify the applicable Component/Activity group for the proposed capital investment. Use the approved Defense Working Capital Fund Activity Group name. Identify the activity that will benefit from the capital item, if possible.

C. For each item (e.g., five new forklifts), indicate the item description contained in Exhibit Fund-9a.

D. Capability or Line Item No. & Capability or Item Description. Enter a line item identification number to cross-reference the corresponding entry on the Fund-9a along with a description of the investment.

**III. Column Entries**

A. Element of Cost. For items purchased under the capability based, provide the appropriate subcategories. For Software provide the item, and if applicable, break into module delivery subcategories.

B. Quantity. Provide the approximate number of items to be purchased under the capability or as applicable for software.

Exhibit Fund-9b Activity group Capital Purchase Justification (Continued)  
(Page 2 of 3)

## Exhibit Fund-9b Activity group Capital Purchase Justification (Continued)

C. Per Unit Cost. Enter the actual or estimated unit cost, when appropriate, for each element listed. Express unit costs in thousands of dollars, to the nearest tenth (i.e., \$20.1 thousand). Unit costs should be expressed in terms of “then year” costs.

D. Total Costs. Enter the total cost of Element of Cost and where applicable, taking into consideration the quantity to be estimated to be procured and the unit costs.

IV. Narrative Justification

A. Provide complete narrative description for each applicable capability or item. This narrative justification should include sufficient information to serve as the sole justification for funding the capability or item. Include a brief description for special interest items such as ADPE Equipment equal to or great than \$1,000,000.00. The narrative description should include, but not be limited to:

1. The nature, purpose, and intended use of the capability or item(s).
2. Indicate whether a pre-investment economic analysis was performed (all items within a capability require the appropriate pre-investment analysis).
3. Indicate the dollar value of estimated savings/cost avoidance after the equipment is installed or the project is complete and the fiscal year when the savings/cost avoidance should begin. If no savings/cost avoidance should result from the purchase, an explanation must be provided to indicate why.

Exhibit Fund-9c Capital Budget Execution

**Department of (Component Name)**  
**Activity group:** \_\_\_\_\_  
**FY 20**\_\_\_\_  
**FY 20**\_\_\_\_ **Budget Estimate**

**PROJECTS ON THE FY \_\_ PRESIDENT'S BUDGET**

(Dollars in Millions)						
<u><b>FY</b></u>	<u><b>Approved Project</b></u>	<u><b>Reprog.</b></u>	<u><b>Approved Proj Cost</b></u>	<u><b>Current Proj Cost</b></u>	<u><b>Asset/ Deficiency</b></u>	<u><b>Explanation</b></u>
	Equipment except ADPE and TELECOM					
	Equipment - ADPE and TELECOM					
	Software Development					
	Minor Construction					
	Total FY ____					

**Instructions:**

Complete the form for each fiscal year required in the Budget Submission. The "Approved Project Column" is the program approved in the President's Budget.

FY	Fiscal Year of the Project.
Approved Project	Project title and amount from the President's budget.
Reprog.	Amount of reprogramming which have occurred since the President's budget.
Approved Project Cost	Approved Project Cost plus/minus Reprogramming.
Current Proj Cost	Current estimate of project cost
Asset/Deficiency	Asset: funds excess to current project cost estimate. Excess funds may be reprogrammed to other projects that show a deficiency in this column.

Prepare the Fund-9d exhibit to show the changes between the FY PY President's Budget Submission the FY BY OSD/OMB Budget Submission.

Exhibit Fund-9c Capital Budget Execution  
(Page 1 of 1)



Exhibit Fund-11 Source of New Orders &amp; Revenue

**ACTIVITY GROUP ANALYSIS**  
**COMPONENT/ACTIVITY GROUP:**  
**SOURCE OF NEW ORDERS AND REVENUE**  
**(Dollars in Millions)**

	<u><b>FY PY</b></u>	<u><b>FY CY</b></u>	<u><b>FY BY</b></u>
1. New Orders			
a. Orders from DoD Components:			
Own Component			
Appn 1			
Continue List by Appropriation			
Other Services (List by Appropriation)			
b. Orders from other Fund Activity groups			
(List by Activity group)			
c. Total DoD			
d. Other Orders:			
Other Federal Agencies			
Trust Fund			
Non Federal Agencies			
Foreign Military Sales			
Total New Orders			
2. Carry-In Orders			
3. Total Gross Orders			
<u><i>Industrial Funds Activities use the following: to complete the Fund – 11</i></u>			
4. Revenue (-)			
5. End of Year Work-in-Process (-) (a)			
6. FMS, BRAC, Other Federal, and Non-Federal orders (-) (b)			
7. Funded Carry-over			
(a) The application of the percentage-of-completion method of revenue recognition should result in the elimination of most work-in-process.			
(b) See exhibit 7a for a complete list of orders to be excluded.			
<u><i>Supply Activities use the following: to complete the Fund - 11</i></u>			
4. Carry-Out Orders (-)			
5. Gross Sales (-)			
6. Credit (-)			
7. Net Sales			

Exhibit Fund-11 Source of New Orders & Revenue  
 (Page 1 of 2)

Exhibit Fund-11 Source of New Orders & Revenue (Continued)

**Instructions for the Preparation of Exhibit Fund-11  
Source of Revenue**

This Exhibit will identify the customers of each activity group at the level of detail indicated. Appropriated fund customers should be identified at the appropriation level. Be specific as to the source of funding. Entries such as OSD or Army are not acceptable on this Exhibit. Lack of specificity will indicate that the funding source is unknown and may not be considered as a legitimate source of funding. The identification will be on the basis of funded orders so that activity group activity may be linked to the appropriations for goods and services.

For line 1.a (Orders from DoD Components), show the amounts by appropriation (e.g., Army National Guard Operation and Maintenance, Army RDT&E, etc.) for orders accepted within the submitting Service/Component. For orders accepted from other Components, show the appropriation detail for significant customers.

For line 1.b (Orders from Other Fund Activity groups), show the orders accepted from other Defense Working Capital Fund Activity groups. Be specific as to the activity group.

Total New Orders on Line 1 must match data provided in the OP-32 exhibit.

For line 2, display the carry-in orders from prior fiscal years. For the Supply Management activity groups, carry-in orders represent back orders.

For line 3, add the sum of lines 1 and 2.

Line 4 will equal total gross sales shown on the Revenue and Expense Statement.

Line 5 should equal orders from line 3 that will not be sold in the current year. For Supply Management Activities, this line should equal backorders.

Components will submit summary Fund-11 exhibits for activity groups (such as Navy Research and Development) that have subdivisions and will submit a summary Fund 11 at the Component level.

The Fund-11 data will be submitted via the Select and Native Programming Data Input System (SNaP) located at <https://snap.pae.osd.mil>. The most current version of this exhibit will be found at this site.

Exhibit Fund-11a Carryover Reconciliation

**ACTIVITY GROUP ANALYSIS  
COMPONENT/ACTIVITY GROUP:  
CARRYOVER RECONCILIATION  
(Dollars in Millions)**

		<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
1.	Net Carry-In			
2.	Revenue			
3.	New Orders			
4.	Exclusions:			
	FMS			
	BRAC			
	Other Federal Departments & Agencies			
	Non-Federal and Others			
	Institutional MRTFB (Navy R&D only)			
5.	Orders for Carryover Calculation			
6.	Weighted Composite Outlay Rate *			
7.	Carryover Rate			
8.	Allowable Carryover			
9.	Balance of Customer Orders at Year End			
10.	Work-in-progress			
11.	Exclusions:			
	FMS			
	BRAC			
	Other Federal Departments & Agencies			
	Non-Federal and Others			
	Institutional MRTFB (Navy R&D only)			
12.	Calculated Actual Carryover			

Exhibit Fund-11a Carryover Reconciliation  
(Page 1 of 2)

Exhibit Fund 11a Carryover Reconciliation (Continured)

**Instructions for the Preparation of Exhibit Fund-11a  
Carryover Reconciliation**

This exhibit compares the funded carryover reported for each activity group to allowable carryover levels as determined by applying customer appropriation outlay rates to carryover workload. Detailed explanations for excess carryover must be attached to this exhibit.

**For line 1** (Net Carry-In), display carry-in orders from prior years. (Carry-in orders must agree with Year End Financial statements)

**For line 2** (Revenue) must match data provided in the Fund 14.

**For line 3** (New Orders) must match data in the Fund 11 and OP-32 exhibits. (net of reductions or cancellations made during the FY)

**For line 4** (Exclusions), display carry-in and new orders associated with the excluded appropriations (Foreign Military Sales (FMS); Base Realignment and Closure (BRAC); Other Federal Departments & Agencies; Non-Federal and Others; and Institutional Major Range & Test Facilities Base (MRTFB)).

**For line 5** (Orders for Carryover Calculation), equals line 3 less line 4. (Supporting schedules for this calculation must also be provided in your Budget submission.)

\* **For line 6** (Weighted Composite Outlay Rate), calculated by applying appropriation unique outlay rates to identified carryover workload.

**Supporting documentation for this calculation must accompany the exhibit.** Execution year outlay rates will be used for all calculations unless approved in writing from the Director for Revolving Funds. The outlay rates used must come from the DoD Financial Summary Tables, Tab J. This data can be found at [www.dod.mil/comptroller/defbudget/FYXXXX/index.html](http://www.dod.mil/comptroller/defbudget/FYXXXX/index.html).

**For line 7** (Carryover Rate), the carryover rate is determined by subtracting the weighted composite outlay rate from 100 percent.

**For line 8** (Allowable Carryover), equals line 5 (Orders for Carryover Calculation) multiplied by line 7 (Carryover Rate). This is the maximum allowable carryover for the activity group.

**For line 9** (Balance of Customer Orders at Year End), equal the balance of customer orders at year end before exclusions (calculation = line 1 (net carry-in) plus line 3 (new orders) minus line 2 (revenue)).

**For line 10** (Work-in-progress) should equal the amount of customer work which has been performed, but not yet billed.

**For line 11** (Exclusions), display carry-in and new orders associated with the excluded appropriations (FMS, BRAC, Other Federal, Non-Federal and Others, and Institutional MRTFB).

**Line 12** (Calculated Actual Carryover), equals line 9 minus lines 10 and 11. This data becomes the net carry-in value used in the following year calculation.

The exhibit is required at the activity group level (except for Navy Research and Development activities. The Navy R&D submission is required at the field activity level. The Army must report its Industrial Operations Activity Group by Depot and Ordnance components.

Requests for exceptions to carryover policy must be submitted to Director for Revolving Funds separate from the budget documents.

Exhibit Fund 11a Carryover Reconciliation (Continured)

(Page 2 of 2)

Exhibit Fund 13 Cash Management Plan

**CASH MANAGEMENT PLAN****Component:****Activity group:****(Dollars in Thousands)**

Provide a monthly and cumulative phasing of disbursements, collections, transfers in or out, appropriations, net outlays, beginning and ending cash balances for the current and budget year(s). Put each year on a separate page.

**Current Year****Monthly**

	<b>Disbursements</b>			<b>Collections</b>			<b>Net Outlays</b>	<b>Total</b>
	<b><u>Operations</u></b>	<b><u>Transfers</u></b>	<b><u>Total</u></b>	<b><u>Operations</u></b>	<b><u>Appropriations</u></b>	<b><u>Transfers</u></b>	<b><u>Total</u></b>	<b><u>Cash Balances</u></b>
		<b><u>OUT</u></b>				<b><u>IN</u></b>		
October								
November								
December								
January								
February								
March								
April								
May								
June								
July								
August								
September								

Submit Excel workbook (by business area including total fund roll up) to the OUSD(C) Revolving Fund Directorate's Cash Manager.

Exhibit Fund 13 Cash Management Plan  
(Page 1 of 2)

Exhibit Fund-13 Cash Management Plan (Continued)

**CASH MANAGEMENT PLAN****Component:****Activity group:****(Dollars in Thousands)****Current Year****Cumulative**

	<b>Disbursements</b>			<b>Collections</b>			<b>Net Outlays</b>	<b>Total</b>
	<b><u>Operations</u></b>	<b><u>Transfers</u></b>	<b><u>Total</u></b>	<b><u>Operations</u></b>	<b><u>Appropriations</u></b>	<b><u>Transfers</u></b>	<b><u>Total</u></b>	<b><u>Cash Balance</u></b>
		<b><u>OUT</u></b>			<b><u>IN</u></b>			
October								
November								
December								
January								
February								
March								
April								
May								
June								
July								
August								
September								

Cash Balance Beginning of FY (+/-) Total Net Outlays = Cash Balance End of FY

Submit Excel workbook (by business area including total fund roll up) to the OUSD(C) Revolving Fund Directorate's Cash Manager.

Exhibit Fund-13 Cash Management Plan (Continued)

(Page 2 of 2)

Exhibit Fund-14 Revenue and Expenses

**DEFENSE WORKING CAPITAL FUND**  
**COMPONENT/ACTIVITY GROUP:**  
**REVENUE AND EXPENSES**  
**(Dollars in Millions)**

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
Revenue	XX,XXX.X <sup>A</sup>		
Gross Sales	(XX,XXX.X)		
Operations	(XX,XXX.X) <sup>B</sup>		
Capital Surcharge	(XX,XXX.X)		
Depreciation excluding Major Construction	(XX,XXX.X)		
Major Construction Depreciation	(XX,XXX.X)		
Other Income	XXX.X <sup>C</sup>		
Refunds/Discounts (-)	- <u>XXX.X</u>		
Total Income:	XX,XXX.X <sup>1</sup>		
Expenses			
Cost of Material Sold from Inventory	XX,XXX.X <sup>D</sup>		
Salaries and Wages:			
Military Personnel Compensation & Benefits	XX,XXX.X		
Civilian Personnel Compensation & Benefits	XX,XXX.X		
Travel & Transportation of Personnel	XX,XXX.X		
Materials & Supplies (for internal Operations)	XX,XXX.X		
Equipment	XX,XXX.X		
Other Purchases from Revolving Funds	XX,XXX.X		
Transportation of Things	XX,XXX.X		
Depreciation – Capital	XX,XXX.X <sup>E</sup>		
Printing and Reproduction	XX,XXX.X		
Advisory and Assistance Services	XX,XXX.X		
Rent, Communication, Utilities, & Misc Charges	XX,XXX.X		
Other Purchased Services	<u>XX,XXX.X</u>		
Total Expenses:	XX,XXX.X <sup>2</sup>		
Operating Result	XX,XXX.X <sup>F</sup>		
Plus or Minus Adjustments Affecting NOR (specify)	XX,XXX.X <sup>G</sup>		
Net Operating Result	XX,XXX.X		
Other Changes Affecting AOR (specify)	XX,XXX.X		
Accumulated Operating Result	XX,XXX.X		
Non-Recoverable Adjustment Impacting AOR (specify)	XX,XXX.X		
Accumulated Operating Results for Budget Purposes	<u>XX,XXX.X</u>		

Note: For Supply Management, expense estimates should be consistent with estimated surcharge elements included in Exhibit SM-5a except for the current year. Current year should reflect current estimates and should not necessarily be identical to the previous budget submissions as required for the SM-5a.

Exhibit Fund-14 Revenue and Expenses  
(Page 1 of 2)

## Exhibit Fund-14 Revenue and Expenses (Continued)

Instructions for Statement of Revenue and Expenses  
Keyed to Statement Footnotes

A. For supply management activity groups, the line should reflect **Gross** sales at standard. Credit returns should be displayed in the Refunds/Discounts line.

B. Capital Surcharge represents the increase in prices (and projected revenue) due to surcharging the capital budget requirement to provide sufficient cash to support the capital budget. This line is blank if a capital surcharge is not included in price (also see note F).

C. Other income is to include pass-through revenue.

D. Cost of material sold from inventory includes the value of material sold from inventory and the cost of repair. Both wholesale and retail costs should be included.

E. Depreciation expenses reflect actual or estimated depreciation of all assets defined by the capital program.

F. This represents the “gross” result from operations, prior to adjustments.

G. Includes all “Other Adjustments” to NOR, multiple lines may be used. (ex. Capital Surcharge reservation here should offset capital surcharge in revenue. Include any appropriations realized to offset current period expenses (e.g., Pass-through’s, appropriations to cover underutilized plant capacity). Appropriations for war reserve material do not offset current period expenses, do not affect NOR, and should be subtracted if reported as part of revenue or be reported as an adjustment below NOR. This includes

- (1) Transfers to correct for prior period over- or under-pricing;
- (2) Other approved transfers for collections from customers for which an expense has not been recorded;
- (3) Other collections (that are not transferred out, but placed in some sort of reserve) from customers for which an expense has not been recorded; or,
- (4) Unfunded expenses resulting from a policy change, which must be deleted prior to determining NOR.
- (5) Changes in Work-in-Process or Inventory for Activity Retention.

H. The Net Operating Result (NOR) is the fiscal year gain or loss from operations. NOR will be carried into Accumulated Operating Results (inception to date) in the equity portion of the balance sheet. NOR and AOR are key performance indicators.

For the supply management activity groups, expenses shall be recorded as obligations, except for depreciation and cost of material sold from inventory (Inventory Procurement Expenses). Additional line entries are required for supply management activity groups. For each element in the surcharge applying to material such as condemnations or inventory maintenance, a separate line should be added reflecting the obligations for these items.

The Fund-14 data will be submitted via the Select and Native Programming Data Input System (SNaP) located at <https://snap.pae.osd.mil>. The most current version of this exhibit will be found at this site.



Exhibit Fund-15 Fuel Data

FY ____ BUDGET FUEL DATA	PROCURED FROM DESC			PROCURED BY SERVICE			DATE
PRODUCT	BARRELS (millions)	COST PER BARREL (\$)	EXTENDED PRICE (\$ millions)	BARRELS (millions)	COST PER BARREL (\$)	EXTENDED PRICE (\$ millions)	STABILIZED PRICE
TOTAL							

Exhibit Fund-15 Fuel Data  
(Page 1 of 2)

## Exhibit Fund-15 Fuel Data (Continued)

## Instructions for the Preparation of Exhibit Fund-15 Fuel Data

The purpose of Fund-15, Fuel Data, is to provide reconciliation between the supply management, the Defense Logistics Agency, and the customer budgets. Prepare Fund-15 for prior year actual, current year, and budget year(s). The Defense Stock Fund will prepare the exhibit for those stocks procured by DFSC only. Prepare exhibit for each division which procures fuel and a consolidated exhibit. Instructions for preparation of Fund-15, Fuel Data:

1. Barrels. Use 42 gallons per barrel. Show barrels in nearest tenth of million barrels.
2. Cost per Barrel. Use cost in dollars and cents per barrel.
3. Extended Price. Multiply number of barrels by cost per barrel. Use dollars in millions and tenths of a million.
4. Product. List by product.
5. Stabilized Price. Show current approved stabilized price.

USTRANSCOM must submit separate Fund 15 exhibits for its Organic, Commercial and Military airlift missions.

Exhibit Fund-15 Fuel Data  
(Page 2 of 2)

Exhibit Fund-16 Material Inventory Data

**DEFENSE WORKING CAPITAL FUND  
COMPONENT/ACTIVITY GROUP:**

**MATERIAL INVENTORY DATA**

(Dollars in Millions)

**FISCAL YEAR**

		----- Peacetime -----	
<u><b>Total</b></u>	<u><b>Mobilization</b></u>	<u><b>Operating</b></u>	<u><b>Other</b></u>

Material Inventory BOP

Purchases

- A. Purchases to Support Customer Orders (+)
- B. Purchase of long lead items in advance of customer orders (+)
- C. Other Purchases (list) (+)
- D. Total Purchases

Material Inventory Adjustments

- A. Material Used in Maintenance (and billed/charged to customer orders) (-)
- B. Disposals, theft, losses due to damages (-) \*
- C. Other reductions (list) (-)
- D. Total inventory adjustments

Material Inventory EOP

Complete one exhibit for each fiscal year, FY PY, FY CY, and FY BY, for the non-supply activity groups (depot maintenance, etc.). Inventory pricing will be based on current policy on inventory valuation.

\*This would also include reductions due to obsolescence. All other reasons for inventory reductions would be listed in item C.

Exhibit Fund-16 Material Inventory Data  
(Page 1 of 1)

Exhibit Fund-18 Fund Summary

**Fund Summary by**  
**Component:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

(\$ in Millions)

### Part I Operating and Capital Budget

<u>Activity group</u>	<u>Operating Budget</u> <u>(Total Cost)</u>			<u>Capital Budget</u> <u>(Obligations)</u>			<u>Appropriation</u> <u>Request</u>		
	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>	<u>PY</u>	<u>CY</u>	<u>BY</u>
Summarize data from detail schedules. Round data to the nearest tenth of a million (e.g., show \$10.4 million, not \$10 million).									

Component Total

### Part II Work Load Assumptions

Indicate, by activity group, the overall work load change (in percent) from year to year. Describe the basis for the estimated changes.

### Part III Productivity Assumptions Incorporated into Estimated Costs and Prices

Summarize, by activity group and in percentage terms, the estimated productivity assumed in estimating costs and setting prices.

### Part IV Performance Measures

Summarize, by activity group, primary performance measures for business outputs which describe effectiveness, timeliness, quality, or customer satisfaction.

Exhibit Fund-18 Fund Summary  
(Page 1 of 1)

Exhibit Fund-19 Military Personnel by Average End Strength

**Military Personnel**  
**By Average End Strength**

Service or Agency: \_\_\_\_\_

Activity group: \_\_\_\_\_

**Personnel Summary:**

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>Change CY/BY</u>
<b>Active Average Military End Strength</b>				
Army				
Officer				
Enlisted				
Navy				
Officer				
Enlisted				
Marine Corps				
Officer				
Enlisted				
Air Force				
Officer				
Enlisted				

Total Active Average Military End Strength

The average strength will be calculated using the average fill rate for the three prior years.

Exhibit Fund-22 Summary of Base Support

**DEPARTMENT OF (COMPONENT NAME)**

Activity group: \_\_\_\_\_

**Summary of Base Support  
(\$ in Millions)**

	<u><b>FY PY</b></u>	<u><b>FY CY</b></u>	<u><b>FY BY</b></u>
Chapel & Chaplain Services			
Command Element			
Common Use Facility Operations,			
Maintenance, Repair, & Construction			
Disaster Preparedness			
Environmental Compliance			
Fire Protection			
Libraries			
Morale & Fitness Support			
Police Services			
Safety			
Shuttle Services			
Admin Services			
Audio/Visual Services			
ADP/Automation Services			
Civilian Personnel Services			
Clubs			
Communication Services			
Community Support Services			
Confinement & Detention Centers			
Custodial Services			
Education Services			
Engineering Support			
Equipment, Operation, Maintenance, & Repair			
Explosive Ordnance			
Facilities & Real Property Support			
Facility Maintenance & Repair			
Finance & Accounting			
Food Services			
Health Services			
Housing & Lodging Services			
Information Services			
Installation Retail Supply & Storage Operation			
Laundry & Dry Cleaning			
Legal Services			
Military Personnel Support			
Mobilization Support			
Mortuary Services			
Printing & Reproduction			
Purchasing & Contracting Services			
Refuse Collection & Disposal			
Resource Management			
Training Services			
Transportation Services			
Utilities			
Weather Services			
Other Support			

Provide narrative explanations of changes in levels of support that, as a tenant, is a reimbursable cost of operation paid to a host activity or, as the host activity, is financed as a direct cost of operation.

Exhibit Fund-22 Summary of Base Support  
(Page 1 of 1)

Exhibit Fund-24 Summary of Personnel Data

**DEPARTMENT OF (COMPONENT NAME)****ACTIVITY GROUP:**\_\_\_\_\_**Summary of Personnel Data - Part I**

	<u><b>FY PY</b></u>	<u><b>FY CY</b></u>	<u><b>FY BY</b></u>
<u>Direct Labor:</u>	Show civilian personnel data in hours, FTEs, work years, or end strength, as requested. Exclude military personnel from all data.		
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
FTEs			
<u>Production Overhead (Indirect):</u>	Show the percent of total FTEs which are direct labor, production overhead, general & administrative, and the sum of production overhead plus general and administrative FTEs.		
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
FTEs			
<u>General &amp; Administrative (G&amp;A):</u>	Show total end strength levels.		
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
Full-time Equivalencies (FTEs)			
<u>Total:</u>	FTE utilization rates are calculated by dividing the total number of FTEs by the quotient of:		
Regular Hours			
Paid Leave Hours			
Overtime Hours			
Total Hours			
<u>Total FTEs:</u>	$\frac{\text{E/S Begin year} + \text{E/S End Year}}{2}$		
Percent Direct Labor			
Percent Production Overhead			
Percent G&A Labor			
Percent Production Overhead and General and Administrative			
<u>Hours per FTE</u>			
<u>End Strength</u>			
<u>FTE Utilization Rate</u>			

Exhibit Fund-24 Summary of Personnel Data  
(Page 1 of 1)

Exhibit Fund-26 Revenue and Expense Phasing Plan

**Revenue and Expense Phasing Plan**  
**Component:** \_\_\_\_\_  
**Activity group:** \_\_\_\_\_

FY \_\_\_\_\_

(Dollars in Thousands)

	Monthly Plan				
	<u>Revenue</u>	<u>Expenses</u>	<u>Adjustments to NOR (1)</u>	<u>Adjustments to AOR (1)</u>	<u>AOR</u>
October					
November					
December					
January					
February					
March					
April					
May					
June					
July					
August					
September					

Instructions: Provide a monthly and cumulative phasing of revenue, costs, and operating results (NOR and AOR) for all years.

	Cumulative Plan by Month				
	<u>Revenue</u>	<u>Expenses</u>	<u>Adjustments to NOR (1)</u>	<u>Adjustments to AOR (1)</u>	<u>AOR</u>
October					
November					
December					
January					
February					
March					
April					
May					
June					
July					
August					
September					

Submit Excel workbook (by business area including total fund roll up) to OUSD (C) Revolving Fund Directorate  
 (1) Provide Specify type and amount of each proposed adjustment.

Exhibit Fund-26 Revenue and Expense Phasing Plan  
 (Page 1 of 1)



Exhibit Fund-28 Execution Performance Analysis

# **EXECUTION PERFORMANCE ANALYSIS**

(Component and Activity Group Name)

For Quarter: \_\_\_\_\_  
Page X of Y

<b>PERFORMANCE MEASURES</b>	<b>PLAN CURRENT QUARTER</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>ANNUAL PLAN</b>	<b>PROJECTED END YEAR</b>	<b>PROJECTED VARIANCE</b>
---------------------------------	-------------------------------------	---------------	-----------------	------------------------	-------------------------------	-------------------------------

**UNIT COST:** Use as much space as required. Identify the units (hours, miles, transactions)

-----  
**TOTAL ORDERS RECEIVED**

(This section Dollars in Millions)

AOR  
NOR  
REVENUE  
COST

ENDING TREASURY CASH BALANCE  
NET OUTLAYS  
COLLECTIONS  
DISBURSEMENTS

(hard copy and electronic submission required)

ACCOUNTS RECEIVABLES  
ACCOUNTS PAYABLE  
NEW ADVANCE BILLINGS CURRENT FY/TOTAL UNLIQUIDATED ADVANCE BILLINGS

**ANALYSIS:** Summarize important facts that help explain the Activity's performance. (use bullets in this section)

**RECOMMENDED ACTIONS:** Describe actions recommended for this Activity group.

**YEAR END PROJECTION ASSUMPTIONS:** Outline the key assumptions used to project year end performance

Exhibit Fund-28 Execution Performance Analysis  
(Page 1 of 2)

Exhibit Fund-28 Execution Performance Analysis (Continued)

### EXECUTION PERFORMANCE ANALYSIS

For Quarter: \_\_\_\_\_  
Page X of Y

(Component and Activity Group Name)

<u>PERSONNEL DATA</u>	<u>PLAN CURRENT QUARTER</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ANNUAL PLAN</u>	<u>PROJECTED END YEAR</u>	<u>PROJECTED VARIANCE</u>
---------------------------	-------------------------------------	---------------	-----------------	------------------------	-------------------------------	-------------------------------

End Strength  
Work Years (FTE's)

RIF's (E/S and date)  
(Cost \$ in Millions)

VSIP/VERA (E/S and date)  
(Cost \$ in Millions)

ATTRITION RATE)

DIRECT LABOR HOURS	(Depot, Ordnance, and R&D Activity Groups only)
Regular Hours	
Overtime Hours	
Contractor Hours	

CAPITAL INVESTMENT PROGRAM OBLIGATIONS AND OUTLAYS

ANALYSIS/ ISSUES: Use additional pages if needed.

RECOMMENDED CORRECTIVE ACTIONS: Use additional pages if needed

Exhibit Fund-28 Execution Performance Analysis (Continued)  
(Page 2 of 2)

Exhibit Fund 30 – Underutilized Plant Capacity

**Unutilized and Underutilized Plant Capacity (UPC)****Component:** \_\_\_\_\_**ACTIVITY GROUP:** \_\_\_\_\_ **DATE:** \_\_\_\_\_**PART I.**

The purpose of this exhibit is to display plant capacity indices and mobilization funding requirements for WCF industrial activities. Unutilized (Reserve) or Underutilized Plant Capacity costs are excluded from the DWCF rate structure. Unutilized capacity associated with the ability to provide capability in excess of any known or projected requirement is not a mobilization requirement and is not funded with UPC funds. This exhibit applies to all activities of industrial activity groups whether or not that activity group has an activity (or activities) where their respective Service is identifying UPC funding in the corresponding Service Operation and Maintenance (O&M) budget submission. Thus, at a minimum, the capacity-related indices for items numbered one through three will be completed for each industrial activity.

(\$ in Millions)  
**FY PY**      **FY CY**      **FY BY**  
Activity Group

## Activity #1

1. Total Capacity Index (DLHs/100 percent)
2. used Capacity Index (DLHs/"x" percent)
3. Reserve Capacity Index (DLHs/"x" percent)
4. Funded UPC (\$ in Millions)

## Activity #2

1. Total Capacity Index (DLHs/100 percent)
2. used Capacity Index (DLHs/"x" percent)
3. Reserve Capacity Index (DLHs/"x" percent)
4. Funded UPC (\$ in Millions)

Total Funded UPC (\$ in Millions)

**PART II.** For each activity with an amount in the Funded UPC category in Part I above, the following is required:

- A. Narrative describing the nature of these UPC costs being incurred at the activity. Provide justification as to what is being accomplished with these funds.
- B. Breakdown of costs by element.

(\$ in Millions)  
**FY PY**      **FY CY**      **FY BY**

Real Property Maintenance  
 Equipment Maintenance  
 Utilities  
 Other (specify)  
 Total

Exhibit Fund 30 – Underutilized Plant Capacity  
 (Page 1 of 2)

Exhibit Fund 30 – UPC Justification (Continued)

**Unutilized and Underutilized Plant Capacity (UPC)****Component:** \_\_\_\_\_

Activity group: \_\_\_\_\_ Date: \_\_\_\_\_

Notes:

- (1) The Total Capacity Index is calculated in accordance with the instructions in Chapter Three of DoD 4151.18-H (Depot Maintenance Capacity and Utilization Measurement Handbook). This index represents the amount of work load, expressed in actual Direct Labor Hours (DLHs) that an activity can effectively utilize annually on a single shift 40-hour week basis, while producing the product mix that the activity is designed to accommodate.
- (2) The used Capacity Index is expressed in DLHs and represents the amount of DLHs required by the activity to execute funded work load requirements. The associated percentage is that portion of the used Capacity Index to the Total Capacity Index.
- (3) The Reserve Capacity Index is expressed in DLHs and represents capacity that is not used but is being retained for sound reasons of military mobilization and surge necessity. The associated percentage is that portion of the Reserve Capacity Index to the Total Capacity Index.
- (4) The Funded UPC is determined by applying the following general rule: Any month during which mobilization facilities are not used, or if used only 20 percent or less of available work days, the pro-rata support costs for those facilities will be included in the UPC funding. Mobilization program expenses related to UPC may include both maintenance and labor costs related to the program. The amount reported is funded in the respective Service O&M budget submission.
- (5) Total Funded UPC is the Activity Group cumulative amount.
- (6) In Part II, items reported in the cost element Other should be fully identified. This could include items of a military-unique nature and, if so, should be sufficiently described.

Exhibit Fund 30 – UPC Justification (Continued)  
(Page 2 of 2)

**VOLUME 2B, CHAPTER 10: “PUBLIC ENTERPRISE, MANAGEMENT, AND TRUST FUNDS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting and room location changes.	Refresh
Overall	Removed reference to bi-annual budget process	Update
100101	Updated references.	Update
100102	Updated fund operating responsibilities.	Update

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**CHAPTER 10****PUBLIC ENTERPRISE, MANAGEMENT, AND TRUST FUNDS**

## 1001 GENERAL

## 100101. Purpose

A. This chapter highlights the policies and justification procedures underlying budget formulation and congressional justification. The provisions of Volume 11B “Reimbursable Operations, Policy and Procedures – Working Capital Funds (WCF),” and of Volume 2B, Chapter 9, apply to the Pentagon Reservation Maintenance Revolving Fund and Buildings Maintenance Fund.

B. The following accounts are covered:

Section

## 1002

Public Enterprise Funds

National Defense Stockpile Transaction Fund  
Pentagon Reservation Maintenance Revolving Fund  
National Defense Sealift Fund  
Buildings Maintenance Fund

Management Funds

Conventional Ammunition Working Capital Fund (**Ceased** operating as a revolving fund at the end of FY 1998. Will process existing orders on hand through Revolving Fund Accounts until complete.)

Trust Funds

National Security Education Trust Fund  
Surcharge Collections, Sales of Commissary Stores, Defense  
(see Section **010603** for listing of all current trust fund accounts)

## 100102. Background

A. Public Enterprise Funds are expenditure accounts authorized by Congress to be credited with collections, primarily from the public, that are generated by, and earmarked to finance, a continuing cycle of business-type operations.

B. The Pentagon Reservation Maintenance Revolving Fund and Buildings Maintenance Funds are Enterprise Funds that operate in accordance with the provisions of Volume 11B of the DoD FMR “Reimbursable Operations Policy – Working Capital Funds (WCF)” and of Volume 2B, Chapter 9, “Defense Working Capital Funds Activity Group Analysis”. These Funds satisfy recurring Department of Defense requirements by using a businesslike buyer-and-seller approach. Unlike profit-oriented commercial businesses, one goal of the funds’ is to break even over the long term. Selling prices established in the budget are

stabilized or fixed during execution to protect customers from unforeseen rate and price fluctuations that would impact customer ability to execute the programs approved by the Congress.

C. A basic principle of the enterprise fund structure is to create a customer-provider relationship between tenants and support organizations. This relationship is designed to make managers of support organizations funded through a Revolving Fund and decision-makers at all levels more concerned with the costs of goods and services. Requiring the tenants to pay for support they receive provides increased assurance that services supplied and paid for are actually needed.

D. Trust Funds. The following definitions apply to trust fund accounts.

1. Trust fund receipt account. Trust fund receipt accounts are credited with receipts generated by the terms of a trust agreement or statute. At the point of collection, these receipts are available for transfer to a trust fund expenditure account or are not available for transfer depending upon the terms of the trust agreement or statutory authority.

2. Trust fund expenditure account. Trust fund expenditure accounts are established to record amounts appropriated or otherwise made available by transfer from a trust fund receipt account to be obligated and expended in carrying out the specific purposes or programs in accordance with the terms of the trust agreement or statute. Funds transferred or appropriated to a trust fund expenditure account are normally available for obligation and expenditure within the limits imposed by the trust agreement or authorizing statute.

3. Trust revolving fund account. A trust revolving fund is a single account that is authorized to be credited with receipts and incur obligations and expenditures in support of a continuing cycle of business-type operations in accordance with the provisions of the trust agreement or statute. Trust revolving fund receipts are available for obligation and expenditure without further action by Congress.

4. Unavailable collections are either (1) unappropriated receipts or receipts that are precluded from obligation because of a provision of law, such as a benefit formula or limitation on obligations in PY, CY, or **BY**, or (2) collections unavailable for obligation because of limitations on obligations in PY, CY, or **BY**. Section 36.6 of [OMB Circular A-11](#) provides instructions on MAX Schedule N on unavailable collections for trust funds and O&M special funds which Federal agencies must include in their annual budget submission to OMB.

100103. General

A. In general, DoD trust funds authorized to incur obligations and expend receipts have been exempted from apportionment by OMB. However, the Surcharge Collections, Sales of Commissary Stores, Defense trust revolving fund, and the National Security Education Trust Fund are subject to apportionment by OMB. Each trust fund must be viewed as a unique fund in light of any special provisions in the trust agreement or the enabling legislation.



B. Trust funds have been assigned account symbols between 8000 and 8999. Within this range trust revolving funds have been assigned symbols between 8400 and 8499. Some trust funds used by DoD are:

Surcharge Collections, Sales of Commissary Stores, Defense  
National Security Education Trust Fund

C. The Conventional Ammunition Working Capital Fund **ceased** operations as a Revolving Fund at the end of FY 1998. This activity **is** a direct funded activity under the cognizance of the Single Manager for Conventional Ammunition.

#### 100104. Submission Requirements

General guidance with regard to submission requirements is presented in the DoD Financial Management Regulation (DOD 7000.14-R), Chapter 1. Chapter 10 covers specific back-up material requirements for the above areas.

#### 100105. Preparation of Material

General guidance with regard to format and preparation of material is presented in the DoD Financial Management Regulation (DOD 7000.14-R), Chapter 1. Chapter 10 provides additional specific guidance with regard to the back-up material required for Public Enterprise, Management Fund and Trust Fund accounts.

#### 100106. References

The DoD Financial Management Regulation (DOD 7000.14-R), Chapter 1 provides funding policies to be adhered to include those that impact other appropriations/accounts. Chapter 9 provides guidance related to Defense Working Capital Funds accounts. Certain exhibits required by this chapter are found in Section 0904 of Chapter 9.

### 1002 PROGRAM AND BUDGET REVIEW SUBMISSION

#### 100201. Purpose

This section highlights the policies and justification procedures underlying budget formulation for Public Enterprise, Management Fund, and Trust Fund accounts.

## 100202. Submission Requirements

A. Public Enterprise Funds

1. The Defense Working Capital Funds (Fund) schedules referenced here are in the DoD Financial Management Regulation (DOD 7000.14-R), Chapter 9. The O&M type exhibits (PB, OP) are found in Volume 2A, Chapter 3 and Volume 2B, Chapter 19. Fund budget-type exhibits as noted below should be submitted for the OSD/OMB budget review.

## National Defense Stockpile Transaction Fund

Exhibits Fund-1, 1a, 2, 4, 11, 14, 17, 21, & 23.

## Pentagon Reservation Maintenance Revolving Fund

Exhibits Fund-1, 1a, 2, 3, 7, 9a, 9b, 11, 12, 14, & 23. OP-8 & 9.  
PB-22.

## Building Maintenance Fund

Exhibits Fund-1, 1a, 2, 3, 7, 9a, 9b, 11, 12, 14, & 23. OP-8 & 9.  
PB-22.

## National Defense Sealift Fund (NDSF)

Exhibits Fund-1a, 2, 11, & 12.

2. The instructions and formats for the preparation of the NDSF required procurement and RDT&E exhibits are included in the DoD Financial Management Regulation (DoD 7000.14-R), Chapters 4 and 5, respectively.

Procurement/Ship Acquisition:

Budget Item Justification Sheet (P-40)

Weapon System Cost Analysis (P-5)

Analysis of Ship Cost Estimates (P-8a/8b)

Advance Procurement Analysis (P-10/10a)

Ship Production Schedule (P-27)

Ship Outfitting Costs (P-29)

Ship Post Delivery Estimates (P-30)

National Defense Features (NDF):

Budget Item Justification Sheet (P-40)

RDT&E:

Budget Item Justification Sheet (R-2)  
Program Element/Project Cost Breakdown (R-3)  
Program Schedule Profile (R-4)  
Program Schedule Detail (R-4a)

3. Additional data required by OMB Circular [A-11](#) will be submitted in the fall in accordance with annual USD (Comptroller) budget guidance.

B. Management and Trust Funds - For Trust Funds, Trust Revolving Funds and other Management Funds, program and financing, and object classification schedules will be submitted for each account. The budget authority for each trust fund account must agree with the amounts reported against the applicable receipt accounts as required by DoD accounting guidance related to offsetting receipts. The receipt accounts are published in Treasury's Federal Account Symbols and Titles. For the Defense Commissary Agency, a footnote to the program and financing schedule will show the value of the obligations for renovation/construction of commissaries included in total obligations of the trust revolving fund.

C. Special Budget Exhibits - Unique data pertaining to a particular fund are required as follows:

National Defense Stockpile

Stockpile Financial Status Report (SP-1)

Pentagon Reservation Maintenance Revolving Fund

Cost of Services (PR-1)  
Summary Statement (PR-2)

Buildings Maintenance Fund

Cost of Services (PR-1)  
Summary Statement (PR-2)

Surcharge Collections, Sales of Commissary Stores, Defense

Summary (CT-1)  
Facility Programs Justification (CT-2)

National Defense Sealift Fund (NDSF)

Ready Reserve Force (RRF):

Budget Item Justification Sheet (RRF-1)

Ship Composition Funding Requirements (RRF-2)

Ship Readiness Operational Status (ROS) Composition (RRF-3)

D. Budget exhibits will be submitted in accordance with the schedule published annually in DoD Comptroller budget guidance. Formats and instructions for preparation of the Special Exhibits are provided Section 1004.

E. All NDSF related budget justification materials should be submitted directly to the Director for Investment, room 3C749. In addition to the DWCF schedules, procurement, and RDT&E exhibits referenced in paragraph 100202 above, the special exhibits identified above must be included in the NDSF justification budget backup book for both the OSD and Congressional submissions. The backup book should include a table of contents, a computer generated FYDP funding report identifying each business area, and each business area/section should be tabbed.

### 1003 CONGRESSIONAL JUSTIFICATION/PRESENTATION

#### 100301. Purpose

This chapter provides the policies and procedures to guide the development of budget justification and supporting narrative to be submitted by Components to the OUSD (Comptroller) in development of congressional justification material.

#### 100302. Submission Requirements

A. Guidance is applicable to the following DoD Public Enterprise, Management Funds, and Trust Funds:

#### **Public Enterprise Funds**

- (1) National Defense Stockpile Transaction Fund
- (2) Buildings Maintenance Fund
- (3) Pentagon Reservation Maintenance Revolving Fund
- (4) National Defense Sealift Fund

#### **Management Funds**

- (5) Conventional Ammunition Working Capital Fund **ceased** operations as a Revolving Fund on September 30, 1998. All orders on hand as of that date will be processed through the fund until completed.

#### **Trust Funds**

- (6) National Security Education Trust Fund
- (7) Surcharge Collections, Sales of Commissary Stores, Defense

B. The table on the following page presents the exhibit requirements to be submitted as part of the President's budget for the Funds identified in paragraph A, above. Additional budget justification material to accompany the President's budget may be prescribed by separate USD (Comptroller) budget guidance.

#### EXHIBIT/SCHEDULE REQUIREMENTS

<u>Fund</u>	<u>Prog &amp; Financ.</u>	<u>Rev &amp; Exp.</u>	<u>Finan. Cond.</u>	<u>Obj Class</u>	<u>Pers Summary</u>	<u>Status of Contr Auth</u>
(1)	X	X	X	X		
(2)	X	X	X	X	X	
(3)	X	X	X	X	X	
Fund-2, Fund 9a/9b, Fund-11, PR-1, PR-2						
(4)	X			X		
P-5, P-8a/8b, P-10/10a, P-27, P-29, P-30, P-40, R-2, R-3, R-4, R-4a, RRF-1, RRF-2, RRF-3						
(5)	X			X		
(6)	X			X		
(7)	X			X		

#### Public Enterprise Funds

- (1) National Defense Stockpile Transaction Fund
- (2) Buildings Maintenance Fund
- (3) Pentagon Reservation Maintenance Revolving Fund
- (4) National Defense Sealift Fund

#### Management Funds

- (5) Conventional Ammunition Working Capital Fund Ceased operations as a Revolving Fund on September 30, 1998. All orders on hand as of that date will be processed through the fund until completed.

#### Trust Funds

- (6) National Security Education Trust Fund
- (7) Surcharge Collections, Sales of Commissary Stores, Defense

### 1004 PUBLIC ENTERPRISE, MANAGEMENT AND TRUST FUND FORMATS

#### 100401. Purpose

The special formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

100402. Exhibits in Support of Section 1002 – Program and Budget Review  
Submission

CT-1 Surcharge Collections, Sales of Commissary Stores Summary .....	11
CT-2 Facility Programs Justification.....	12
PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services .....	13
PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement .....	14
SP-1 Stockpile Financial Status Report.....	15
RRF-1 Budget Item Justification.....	17
RRF-2 Ship Composition Funding Requirements .....	18
RRF-3 Ship Readiness Operational Status (ROS) Composition.....	19

Exhibit CT-1 Surcharge Collections, Sales of Commissary Stores Summary

**Surcharge Collections, Sales of Commissary Stores, Defense****Summary**

(\$ in Millions)

	<b><u>FY PY col. of CY PB</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY col. of CY PB</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>
<b><u>OBLIGATIONS</u></b>					
Operating Expenses			Provide operations, equipment, and construction		
Equipment			obligations for the PY column of the CY President's		
Construction			budget, the PY, the CY column of the CY President's		
Total Obligations (a)			budget, the CY, and the BY.		
<b><u>DISBURSEMENTS</u></b>					
Disbursement of			Provide disbursements of prior year obligations and		
Prior Year Obligations			current year disbursements for the PY column of the CY		
Current Year Disbursements			President's budget, the PY, the CY column of the CY		
Total Disbursements (b)			President's budget, the CY, and the BY.		
<b><u>COLLECTIONS</u></b>					
Revenue (c)			Provide revenue for the five years above.		
<b><u>NET OUTLAYS (d) (b-c=d)</u></b>					
CASH: Begin Year (e)					
Net Outlays (f)			Provide cash estimates for the five years above.		
End Year (g) (e-f=g)					
<b>Unliquidated Obligations</b>			Provide year-end unliquidated obligations for the five years above.		
<b>Unobligated Balance Beginning of Year (h)</b>			Provide unfunded contract authority for the five years above.		
<b>Unobligated Balance End of Year (i)</b>					
<b>Unfunded Contract Authority Requested (j) (a-c-h+I=j)</b>					

Exhibit CT-1 Surcharge Collections, Sales of Commissary Stores Summary  
(Page 1 of 1)

Exhibit CT-2 Facility Programs Justification

**Surcharge Collections, Sales of Commissary Stores, Defense  
Facility Programs Justification  
(\$ in Millions)**

<u>LOCATION</u>	<u>DESCRIPTION</u>	<u>TOTAL COST</u>	<u>REMARKS</u>
-----------------	--------------------	-------------------	----------------

Provide a DD Form 1391 for each FY **BY** proposed project.

List the location of each proposed construction project for FY **CY** and FY **BY**.

Description should include whether each project is a new store, add/alter, minor construction, energy conservation, etc.

Total cost is self-explanatory.

Remarks should provide narrative justification for and a description of each project.

Exhibit CT-2 Facility Programs Justification  
(Page 1 of 1)



Exhibit PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services

**Pentagon Reservation Maintenance Revolving Fund**  
**Cost of *Basic* Services**  
**(\$ in Millions)**

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
1. Operated Space (Average Square Feet) *			
2. Unit Cost of Operations (\$) **			
Cleaning			
Maintenance			
Utilities & Fuel			
Protection			
Other Building Services			
Administration			
Total Unit Cost for Basic Services			
(Multiply by) Billable Space (Sq. Ft.)			
(Equals) Total Cost of Basic Services			

\* Excludes reimbursable “above standard” services.

\*\* Cleaning, maintenance, utilities and fuel, protection, other building services, and administration estimates should equal the cost of each function divided by the billable space square feet for the relevant fiscal year.

Exhibit PR-1 Pentagon Reservation Maintenance Revolving Fund Cost of Services  
 (Page 1 of 1)

Exhibit PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement

**Pentagon Reservation Maintenance Revolving Fund  
Summary Statement  
(\$ in Millions)**

	<u>Obs.</u>	<u>Orders</u>	<u>Rev.</u>	<u>Cost</u>	<u>FYPY</u>	<u>FYCY</u>	<u>FYBY</u>	<u>FYBY+1</u>	<u>FYBY+2</u>	<u>FYBY+3</u>	<u>FYBY+4</u>	<u>FYBY+5</u>
Pentagon Renovation												
FY PY			N/A	N/A								
FY CY			N/A	N/A								
FY BY			N/A	N/A								
Other Capital Purchases (specify each)												
FY PY			N/A	N/A								
FY CY			N/A	N/A								
FY BY			N/A	N/A								
Operating Budget												
FY PY												
FY CY												
FY BY												
Total												
FY PY												
FY CY												
FY BY												
Cash												
FY PY												
FY CY												
FY BY												

Obligations, new customer orders, revenue, and costs for the PY, CY and BY year for the Pentagon Renovation, Other Capital Purchases, and Operating Budget (reimbursable services and basic services noted in Exhibit PR-1) should be provided. Disbursements of PY, CY, BY, and obligations for each category are also requested. Beginning of Year (BOY) cash, collections, disbursements, and End of Year (EOY) cash for the PY, CY and BY year is also requested.

Exhibit PR-2 Pentagon Reservation Maintenance Revolving Fund Summary Statement  
(Page 1 of 1)

Exhibit SP-1 Stockpile Financial Status Report

**NATIONAL DEFENSE STOCKPILE TRANSACTION FUND****Stockpile Financial Status Report****YEAR (CY, BY)****(Dollars in Millions)****CY****BY**

Treasury Cash Balance, End of Prior Year

Plus Collections  
 Minus Disbursements

Plus/Minus:

Transfer 1 (label)

Transfer 2 (label)

.

.

.

Transfer n label

Sub-Total Transfers

Equals: Cash Balance

Costs

Labor  
 Non-labor  
 Acquisitions and Upgrades

Unliquidated Obligations

Total Costs

**Cash Balance**

1. Purpose. The purpose of this report is to provide information on the financial status of the National Defense Stockpile.
2. Submission. This exhibit will reflect information starting from the end of the prior year, the Current Year (CY), and the budget year (BY) in support of the OSD/OMB and President's budget submissions. End of prior year should be the actual amount reflected on approved accounting reports.

Exhibit SP-1 Stockpile Financial Status Report  
 (Page 1 of 2)

INSTRUCTION FOR PREPARATION OF EXHIBIT SP-1  
STOCKPILE FINANCIAL STATUS REPORT

1. Purpose. The purpose of this report is to provide information on financial status of the National Defense Stockpile.
2. Submission. This exhibit will be submitted for the prior year (PY), the current year (CY), and budget year (BY) in support of the OSD/OMB and President's budget submissions.
3. Entries:
  - a. Annual Program addresses transaction during the year involving current year funds only.
  - b. Total addresses all transactions including adjustments and balances from previous years' transactions.

Exhibit SP-1 Stockpile Financial Status Report (Continued)  
(Page 2 of 2)

Exhibit RRF-1 Budget Item Justification

**FY BY Submission**  
**Month/Year**  
**Exhibit RRF-1**

**Ready Reserve Force (RRF)**  
**Budget Item Justification**

<b><u>RRF</u></b>	<b><u>FY PY-1</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>	<b><u>FY BY+1</u></b>	<b><u>FY BY+2</u></b>	<b><u>FY BY+3</u></b>	<b><u>FY BY+4</u></b>	<b><u>FY BY+5</u></b>
-------------------	-----------------------	---------------------	---------------------	---------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

O&amp;M

Acquisition

Provide annual funding requirements for the RRF.

Other (specify)

Total RRF

**Purpose:** Justification for the FYs BY-BY+5 budget request: Provide a narrative justification and sufficient justification for the funding requested

Exhibit RRF-1 Budget Item Justification  
 (Page 1 of 1)

Exhibit RRF-2 Ship Composition Funding Requirements

**FY BY Submission**  
**Month/Year**  
**Exhibit RRF-2**

**Ready Reserve Force (RRF)**  
**Ship Composition Funding Requirements**

<b><u>RRF</u></b>	<b><u>FY PY-1</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>	<b><u>FY BY+1</u></b>	<b><u>FY BY+2</u></b>	<b><u>FY BY+3</u></b>	<b><u>FY BY+4</u></b>	<b><u>FY BY+5</u></b>
-------------------	-----------------------	---------------------	---------------------	---------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

**O&M****Ship Types****Breakbulk**

ROS-4

ROS-5

etc.

Provide annual funding requirements for each ship type by ROS category.

Specify funding by O&amp;M, acquisition and other (specify Other categories consistent with the RRF-1 exhibit).

**Ro/Ros**

ROS-4

ROS-5

etc.

**Total O&M****Acquisition**

Ship Types

**Total Acquisition****Other**

Ship Types

**Total Other****Total RRF**

Exhibit RRF-2 Ship Composition Funding Requirements  
 (Page 1 of 1)

Exhibit RRF-3 Ship Readiness Operational Status (ROS) Composition

**FY BY Submission**  
**Month/Year**  
**Exhibit RRF-3**

**Ready Reserve Force (RRF)**  
**Ship Readiness Operational Status (ROS) Composition**

<b><u>RRF</u></b>	<b><u>FY PY-1</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>	<b><u>FY BY+1</u></b>	<b><u>FY BY+2</u></b>	<b><u>FY BY+3</u></b>	<b><u>FY BY+4</u></b>	<b><u>FY BY+5</u></b>
<b><u>Ship Types</u></b>									

**Ro/Ros**

(ROS Status ROS-4)

(ROS Status ROS-5)

(ROS Status etc.)

Total Ro/Ros

**Breakbulk**

(ROS Status ROS-4)

(ROS Status ROS-5)

(ROS Status etc.)

Total Breakbulk

**etc.**

Provide the composition of the RRF by FY for each ship type, i.e.; Breakbulk, Ro/Ros Tankers etc.  
Specify ships consistent with the RRF-2 exhibit.

**Totals**

(ROS Status ROS-4)

(ROS Status ROS-5)

(ROS Status etc.)

Total RRF Fleet

**New Acquisitions****Retirements**

Exhibit RRF-3 Ship Readiness Operational Status (ROS) Composition  
(Page 1 of 1)

**VOLUME 2B, CHAPTER 11: “OFFSETTING RECEIPTS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Date refresh and deletion of biennial budget requirements.	Refresh



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## CHAPTER 11

**OFFSETTING RECEIPTS**

## 1101 GENERAL

## 110101. Purpose

This chapter prescribes budget justification requirements for offsetting receipts consistent with the provisions of the Office of Management and Budget [\*\(OMB\) Circular No. A-11\*](#).

## 1102 PROGRAM AND BUDGET REVIEW SUBMISSION

## 110201. General Instructions

A. Each Military Department will include offsetting receipts in their annual program and budget submission. See Volume 2A, Chapter 1, for general guidance on submission requirements. Receipt accounts are listed in Volume 2A, Chapter 1, Section 0106 Uniform Budget and Fiscal Accounting Classifications. Department of Defense (DoD) receipt account structures are reported in the Budget Structure Listing of the Comptroller Information System which is available on the Secret Internet Protocol Router Network (SIPRNET) [home page](#) of the Office of the Under Secretary of Defense (Comptroller) (OUSD (C)).

B. Each Military Department will also submit estimated receipts in thousands of dollars for the current year, budget year, and the outyears. These estimates will include the impact of all proposed legislation. Upon OUSD(C)'s completion of the prior year update within the Comptroller Information System (CIS), each Military Department will update their CIS current year, budget year and outyear Budget Authority (BA) and outlay estimates for receipt and any receipt-related (special and trust fund) expenditure accounts. The Military Departments will upload the required transactions in CIS. The due date will be established by OUSD(C) based on certification to the Treasury of actual execution data for the prior fiscal year.

C. Amounts reported should include all collections credited to the component's receipt accounts, including "F" (clearing) accounts if applicable. Prior year clearing ("F") accounts except the undistributed intragovernmental payment account (3885) will be merged with the Military Department's General Fund Proprietary Receipts (3210). Exclude collections credited to receipt accounts of other DoD components. Receipts will be reported on the basis of collections credited to receipt accounts during the year, plus or minus any adjustments during the year. Amounts for the prior year will agree with receipts reported to Treasury on the Treasury Combined Statement. Only zero (0) estimates are permitted in the current year, budget year, and the outyears for "F" accounts. For indefinite appropriations of receipts (Wildlife Conservation, Military Reservations; special fund accounts; and trust fund accounts), the amount of estimated collections will be equal to the related estimates of appropriations BA.

D. Receipts data are required for DoD-Military as well as DoD-Civil accounts.

NOTE: Components should refer to the Treasury Federal Accounts Symbols and Titles [\(FAST\)](#) book for any changes to the account listing.

**VOLUME 2B, CHAPTER 12: “DEFENSE HEALTH PROGRAM”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue and underlined font\*\*\*](#).

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Various	Changed TRICARE Management Activity to Defense Health Agency	Update
Various	Updated program elements	Update
120402	Updated unique information management system reporting summary	Update

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## CHAPTER 12

**DEFENSE HEALTH PROGRAM**

## 1201 GENERAL

## 120101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for the Defense Health Program (DHP).

B. The following appropriations are covered as subsections of the DHP appropriation:

1. Operation and Maintenance (O&M)
2. Procurement
3. Research, Development, Test and Evaluation (RDT&E)

## 120102. Submission Requirements

General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. This chapter covers specific backup material requirements for the above accounts. The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) should also consult all of the other chapters of this Regulation for exhibit requirements that are not specifically addressed in this chapter including Volume 2B, Chapter 19 – Other Special Analyses. The ASD(HA) is also responsible for providing data to update the Comptroller Information System (CIS) and the Future Years Defense Program (FYDP) automated systems for the DHP appropriation. The Military Components must reconcile all DHP personnel data with, and submit all proposed military and civilian medical personnel changes to the CIS and FYDP through the [Defense Health Agency](#) Program Budget and Execution Directorate before these changes are accepted in these automated systems. (See Volume 2A, Chapter 1 and Volume 2B, Chapter 19, of this Regulation.)

## 120103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 12 provides additional specific guidance with regard to the back-up material required for the DHP. (See Volume 2A, Chapter 1, of this Regulation.)

## 120104. References

Volume 2A, Chapter 3 provides guidance related to O&M costs, Volume 2B, Chapter 4 provides guidance and formats related to Procurement appropriations, and Volume 2B, Chapter 5 provides guidance and formats related to RDT&E appropriations. (See Volume 2A, Chapter 3

and Volume 2B, Chapter 4, of this Regulation.)

## 1202 PROGRAM AND BUDGET REVIEW SUBMISSION

### 120201. Purpose

This Section provides guidance for preparation and submission of budget estimates for the DHP. The budget estimates consist of all O&M, procurement, and RDT&E resources that support the medical activities that were consolidated into the DHP.

### 120202. Submission Requirements

A. The ASD (HA) is responsible for submitting all exhibits required for the O&M, procurement, and RDT&E appropriations as specified in Volume 2A, Chapter 3, Volume 2B, Chapters 4, and 5 respectively. The ASD (HA) is also responsible for submitting exhibit requirements specified in the other chapters of this Regulation including Volume 2B, Chapter 19 – Other Special Analyses. (See Volume 2A, Chapter 3 and Volume 2B, Chapter 4, 5, and 19, of this Regulation).

B. In addition, the Cost of Medical Activities Exhibit (PB-11, PB-11A, PB-11B) will be prepared and submitted to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) concurrent with the program and budget review submission. Formats for these exhibits are provided at the end of this chapter. Two printed copies and one electronic copy of each exhibit should be provided to the OUSD(C) Program/Budget (P/B) Military Personnel & Construction Directorate, Room 3C654, Washington, DC 20301-1100.

C. For all updates of the OUSD(C) automated budget system databases, DoD Components must reconcile all DHP personnel data with, and submit all proposed military and civilian medical personnel changes through the [Defense Health Agency](#) Program Budget and Execution Directorate.

## 1203 CONGRESSIONAL JUSTIFICATION/PRESENTATION

### 120301. Purpose.

This section presents the exhibit requirements for submission to Congress. Examples of budget exhibits can be found in Section 1204.

### 120302. Submission Requirements

A. The ASD (HA) is responsible for submitting all exhibits required for the O&M, procurement, and RDT&E appropriation as specified in Volume 2A, Chapter 3, Volume 2B, Chapters 4, and 5 respectively. The ASD (HA) is also responsible for submitting exhibit requirements specified in the other chapters of this regulation including Volume 2B, Chapter 19 – Other Special Analyses. (See Volume 2A, Chapter 3 and Volume 2B, Chapter 4, 5, and 19)

B. In addition, the cost of Medical Activities Exhibit (PB-11, PB-11A, PB-11B) will be prepared and submitted to the OUSD (C) for the DHP. Formats for these exhibits are provided at the end of this chapter. Two printed copies and one electronic copy of each exhibit should be provided to the OUSD (C), P/B, Military Personnel Construction Directorate, Room 3C654, the Pentagon.

C. Two printed copies and one electronic copy of the PBA-9 (Medical Programs Exhibit for the O&M Overview) will be due to the OUSD(C), P/B, Military Personnel & Construction Directorate, Room 3C654, the Pentagon at the time that the President's budget exhibits are due. The required format for the PBA-9 is provided at Volume 2A, Chapter 3, Section 0304 (See Volume 2A, Chapter 3, section 0304 of this Regulation).

D. The OP-5 exhibit and other supporting exhibits will be prepared for each of the following activities. Meaningful performance criteria should be displayed for each activity.

- In-House Care
- Private Sector Care
- Consolidated Health Support
- Information Management
- Management Activities
- Education and Training
- Base Operations/Communications

E. The ASD(HA) will prepare the DHP Volume 1 (Justification of Estimates), Volume 2 (Data Book), and Volume 3 (Additional Accompanying Exhibits). **Forty** printed copies and **five** electronic storage media copies of Volumes 1 and 2 and ten printed copies and three electronic storage medical copies of all three volumes and other required exhibits should be provided to the OUSD (C), P/B, Military Personnel & Construction Directorate, Room 3C654, the Pentagon.

## 1204 DEFENSE HEALTH PROGRAM SUBMISSION FORMATS

### 120401. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, the formats should be followed.



120402. Unique Exhibits in Support of the Defense Health Program

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PB-11A Defense Health Program Personnel Summary.....	13
PB-11B Medical Workload and Productivity Data .....	16

Exhibit PB-11 Defense Health Program Funding Summary

**DEPARTMENT OF DEFENSE  
COST OF MEDICAL ACTIVITIES  
DEFENSE HEALTH PROGRAM**

**Defense Health Program Funding by Subactivity Group**

		(Dollars in Thousands)					
		<b>FY PY</b>	<b>FY CY</b>	<b>FY BY</b>	<b><u>PY-CY Change</u></b>	<b><u>CY-BY Change</u></b>	
		<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>\$</u></b>	<b><u>(%)</u></b>	<b><u>\$</u></b> <b><u>(%)</u></b>
<b><u>IN-HOUSE CARE</u></b>							
0807700HP	Defense Medical Centers, Hospitals & Medical Clinics – CONUS						
0807900HP	Defense Medical Centers, Hospitals & Medical Clinics – OCONUS						
0807701HP	Pharmaceuticals, CONUS						
0807901HP	Pharmaceuticals, OCONUS						
0807715HP	Dental Care Activities – CONUS						
0807915HP	Dental Care Activities – OCONUS						
<b>Subtotal In-House Care</b>							
<b><u>PRIVATE SECTOR CARE</u></b>							
0807702HP	Pharmaceuticals – Purchased Health Care						
0807703HP	Pharmaceuticals – National Retail Rx						
0807723HP	TRICARE Managed Care Support (MCS) Contracts						
0807738HP	MTF Enrollees – Purchased Care						
0807741HP	Dental – Purchased Care						
0807742HP	Uniformed Services Family Health Program (USFHP)						
0807743HP	Supplemental Care – Health Care						
0807745HP	Supplemental Care – Dental						
0807747HP	Continuing Health Education/ Capitalization of Asset Program (CHE/CAP)						
0807749HP	Overseas Purchased Health Care						
0807751HP	Miscellaneous Purchased Health Care						
0807752HP	Miscellaneous Support Activities						
<b>Subtotal Private Sector Care</b>							

Exhibit PB-11 Defense Health Program Funding Summary  
(Page 1 of 6)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

**DEPARTMENT OF DEFENSE  
COST OF MEDICAL ACTIVITIES  
DEFENSE HEALTH PROGRAM**

**Defense Health Program Funding by Subactivity Group**

(Dollars in Thousands)

	<b>FY PY</b>	<b>FY CY</b>	<b>FY BY</b>	<b>PY-CY Change</b>	<b>CY-BY Change</b>
	<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>\$</u></b>	<b><u>(%)</u></b>
<b><u>CONSOLIDATED HEALTH SUPPORT</u></b>					
0801720HP Examining Activities					
0807714HP Other Health Activities					
0807705HP Military Public/Occupational Health					
0807760HP Veterinary Services					
0807724HP Military Unique Requirements					
– Other Medical Activities					
0807725HP Aeromedical Evacuation System					
0807730HP Service Support to Other Health					
Activities – TRANSCOM					
0807786HP Joint Pathology Center					
<b>0903300HP Support to FACA Advisory Board</b>					
<b>Activities</b>					
 <b>Subtotal Consolidated Health Support</b>					
<b><u>INFORMATION MANAGEMENT</u></b>					
0807781HP DHP Service Medical Information					
Management/Information Technology					
0807783DHP Information Management/					
Information Technology Support Programs					
0807784HP Integrated Electronic Health Record (iEHR)					
0807787HP DoD Healthcare Management System Modernization (DHMSM)					
0807793HP MHS Tri-Service Information					
Management/Information Technology					
 <b>Subtotal Information Management</b>					
<b><u>MANAGEMENT ACTIVITIES</u></b>					
0807798HP Management Headquarters					
0807704HP Defense Health Agency					

Exhibit PB-11 Defense Health Program Funding Summary (Continued)  
(Page 2 of 6)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

**DEPARTMENT OF DEFENSE  
COST OF MEDICAL ACTIVITIES  
DEFENSE HEALTH PROGRAM**

**Defense Health Program Funding by Subactivity Group**

(Dollars in Thousands)

	<b>FY PY</b>	<b>FY CY</b>	<b>FY BY</b>	<b>PY-CY Change</b>	<b>CY-BY Change</b>
	<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>\$</u>      <u>(%)</u></b>	<b><u>\$</u>      <u>(%)</u></b>
0807709HP TRICARE Management Activity (through FY 2013)					
0901200HP BMMP Domain Management & System Integration					
<b>Subtotal Management Activities</b>					
 <b><u>EDUCATION AND TRAINING</u></b>					
0806722HP Armed Forces Health Professions Scholarship Program					
0806721HP Uniformed Services University of the Health Sciences					
0806761HP Other Education and Training					
 <b>Subtotal Education and Training</b>					
 <b><u>BASE OPERATIONS/COMMUNICATIONS</u></b>					
0806276HP Facilities Restoration and Modernization – CONUS					
0886376HP Facilities Restoration and Modernization – OCONUS					
0806278HP Facilities Sustainment – CONUS					
0806378HP Facilities Sustainment – OCONUS					
0807779HP Facilities Operations – Health Care – CONUS					
0807979HP Facilities Operations – Health Care – OCONUS					
0807795HP Base Communications – CONUS					
0807995HP Base Communications – OCONUS					
0807796HP Base Operations – CONUS					
0807996HP Base Operations – OCONUS					
0807753HP Environmental Conservation					
0807754HP Pollution Prevention					

Exhibit PB-11 Defense Health Program Funding Summary  
(Page 3 of 6)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

**DEPARTMENT OF DEFENSE  
COST OF MEDICAL ACTIVITIES  
DEFENSE HEALTH PROGRAM**

**Defense Health Program Funding by Subactivity Group**

(Dollars in Thousands)

	<b>FY PY</b>	<b>FY CY</b>	<b>FY BY</b>	<b><u>PY-CY Change</u></b>	<b><u>CY-BY Change</u></b>
	<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>\$</u>      <u>(%)</u></b>	<b><u>\$</u>      <u>(%)</u></b>
0807756HP Environmental Compliance					
0807790HP Visual Information Systems					
0808093HP Demolition/Disposal of Excess Facilities					
<b>Subtotal Base Ops/Comm</b>					
<b>Subtotal DHP Operation and Maintenance</b>					

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

**DEPARTMENT OF DEFENSE  
COST OF MEDICAL ACTIVITIES  
DEFENSE HEALTH PROGRAM**

**Defense Health Program Funding by Subactivity Group**

(Dollars in Thousands)

	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>PY-CY Change</u> <u>\$</u> <u>(%)</u>	<u>CY-BY Change</u> <u>\$</u> <u>(%)</u>
<b>Procurement</b>					
<b>(PE 0807720HP and PE 0807721HP)</b>					
Dental Equipment					
Food Service, Preventive Medicine,					
Pharmacy Equipment					
Medical Information System Equipment					
Medical Patient Care Administrative Equip					
Medical/Surgical Equipment					
Other Equipment					
Pathology/Lab Equipment					
Radiographic Equipment					
0807744HP Theater Medical Information Program – Joint (TMIP-J)					
0807784HP Integrated Electronic Health Record (iEHR)					
Subtotal Procurement					
<b>Research, Development, Test and Evaluation</b>					
0601101HP In-House Laboratory Independent Research (ILIR)					
0601117HP Basic Operational Medical Research Sciences					
0602115HP Applied Biomedical Technology					
0602787HP Medical Technology (AFRRI)					
0603002HP Medical Advanced Technology (AFRRI)					
0603115HP Medical Technology Development					
0604110HP Medical Products Support and Advanced Concept Development					
0605013HP Information Technology Development					
0605023HP Integrated Electronic Health Record (iEHR)					
0605025HP Theater Medical Information Program – Joint (TMIP-J)					
0605026HP DoD Healthcare Management System Modernization (DHMSM)					
0605145HP Medical Products and Support Systems Development					
0605502HP Small Business Innovative Research (SBIR) Program					
0606105HP Medical Program-Wide Activities					
0607100HP Medical Products and Capabilities Enhancement Activities					

Exhibit PB-11 Defense Health Program Funding Summary  
(Page 5 of 6)

Exhibit PB-11 Defense Health Program Funding Summary (Continued)

Subtotal RDT&amp;E

**Total Defense Health Program**

Submitting Components should refer to the FYDP Structure Management (FSM) System as described in section 010702 of Chapter 1 of this volume to ensure that the Defense Health Program FYDP program elements shown on this format are current.

**DEPARTMENT OF DEFENSE  
COST OF MEDICAL ACTIVITIES  
DEFENSE HEALTH PROGRAM**

**Defense Health Program Funding by Subactivity Group**

(Dollars in Thousands)

<b>FY PY</b>	<b>FY CY</b>	<b>FY BY</b>	<b>PY-CY Change</b>	<b>CY-BY Change</b>
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>\$</u> <u>(%)</u>	<u>\$</u> <u>(%)</u>

SPECIAL INTEREST ITEMS

Medicare Eligible Accrual Fund

Total Medicare Eligible Accrual Fund

Direct Care

Private Sector Care

Military Personnel Accounts

RDT&amp;E

Information Technology (IT) Development

Core Legacy Systems (Central IT)

iEHR/DoD Medical Information Exchange (DMIX)

DHMSM

Services (Non-Central IT)

All Other RDT&amp;E Programs

Congressionally Directed Programs

Baseline Programs

Exhibit PB-11A Defense Health Program Personnel Summary

**DEPARTMENT OF DEFENSE  
DEFENSE HEALTH PROGRAM  
Personnel Summary**

<u>FY PY Actual</u>		<u>FY CY Estimate</u>		<u>FY-BY Estimate</u>		<u>CY-BY Change</u>	
<u>End</u>	<u>Avg</u>	<u>End</u>	<u>Avg</u>	<u>End</u>	<u>Avg</u>	<u>End</u>	<u>Avg</u>
<u>Strength</u>	<u>Strength</u>	<u>Strength</u>	<u>Strength</u>	<u>Strength</u>	<u>Strength</u>	<u>Strength</u>	<u>Strength</u>

**Active Military – Assigned to DHP**Army Total

Officers

Enlisted

Navy Total

Officers

Enlisted

Air Force Total

Officers

Enlisted

Total Active Duty

Officers

Enlisted

**Active Military - Non DHP Medical**Army Total

Officers

Enlisted

Navy Total

Officers

Enlisted

Air Force Total

Officers

Enlisted

Total Active Duty

Officers

Enlisted

Exhibit PB-11A Defense Health Program Personnel Summary  
(Page 1 of 3)



Exhibit PB-11A Defense Health Program Personnel Summary (Continued)

**DEPARTMENT OF DEFENSE  
DEFENSE HEALTH PROGRAM**

**Personnel Summary**

	<b><u>FY PY Actual</u></b>		<b><u>FY CY Estimate</u></b>		<b><u>FY- BY Estimate</u></b>		<b><u>CY-BY Change</u></b>	
	<b><u>End</u></b>		<b><u>End</u></b>		<b><u>End</u></b>		<b><u>End</u></b>	
	<b><u>Strength</u></b>	<b><u>FTEs</u></b>	<b><u>Strength</u></b>	<b><u>FTEs</u></b>	<b><u>Strength</u></b>	<b><u>FTEs</u></b>	<b><u>Strength</u></b>	<b><u>FTEs</u></b>
I. Civilian Personnel - US Direct Hire								
Army								
Navy								
Air Force								
Defense Health Agency								
Total								
II. Civilian Personnel - Foreign National Direct Hire								
Army								
Navy								
Air Force								
Defense Health Agency								
Total								
III. Civilian Personnel - Foreign National Indirect Hire								
Army								
Navy								
Air Force								
Defense Health Agency								
Total								
IV. Total Civilian Personnel								
Army								
Navy								
Air Force								
Defense Health Agency								
Total <u>1/</u>								
V. Summary Civilian Personnel								
U.S. Direct Hire								
Foreign National Direct Hire								
Foreign National Indirect Hire								
Total, Civilians <u>1/</u>								

1/ Includes reimbursable civilians - memo

Exhibit PB-11A Defense Health Program Personnel Summary  
(Page 2 of 3)

Exhibit PB-11A Defense Health Program Personnel Summary (Continued)

**DEPARTMENT OF DEFENSE  
DEFENSE HEALTH PROGRAM**

**Personnel Summary**

<b><u>FY PY Actual</u></b>		<b><u>FY CY Estimate</u></b>		<b><u>FY- BY Estimate</u></b>		<b><u>CY-BY Change</u></b>	
<b><u>End</u></b>		<b><u>End</u></b>		<b><u>End</u></b>		<b><u>End</u></b>	
<b><u>Strength</u></b>	<b><u>FTEs</u></b>	<b><u>Strength</u></b>	<b><u>FTEs</u></b>	<b><u>Strength</u></b>	<b><u>FTEs</u></b>	<b><u>Strength</u></b>	<b><u>FTEs</u></b>

**SPECIAL INTEREST MANPOWER (End Strength)**

TRICARE Regional Offices (TRO):

Military FTE's

Civilian FTE's

**Defense Health Agency (PE 0807704)**

Military FTE's

Civilian FTE's

**Army Management Headquarters (PE 0807798)**

Military FTE's

Civilian FTE's

**Navy Management Headquarters (PE 0807798)**

Military FTE's

Civilian FTE's

**Air Force Management Headquarters (PE 0807798)**

Military FTE's

Civilian FTE's

Exhibit PB-11A Defense Health Program Personnel Summary  
(Page 3 of 3)

Exhibit PB-11B Medical Workload and Productivity Data

**DEFENSE HEALTH PROGRAM**  
**Medical Workload and Productivity Data**

	FY PY	FY CY	FY BY	CY-BY
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Change</u>
<b><u>Population - Average Eligible Beneficiaries CONUS</u></b>				
Active Duty				
Active Duty Dependents				
CHAMPUS Eligible Retirees				
CHAMPUS Eligible Dependents of Retirees				
Subtotal CHAMPUS Eligibles				
Medicare Eligible Beneficiaries				
Total Average Eligible Beneficiaries				
<b><u>Population - Average Eligible Beneficiaries OCONUS</u></b>				
Active Duty				
Active Duty Dependents				
CHAMPUS Eligible Retirees				
CHAMPUS Eligible Dependents of Retirees				
Subtotal CHAMPUS Eligibles				
Medicare Eligible Beneficiaries				
Total Average Eligible Beneficiaries				
<b><u>Population - Average Eligible Beneficiaries Worldwide</u></b>				
Active Duty				
Active Duty Dependents				
CHAMPUS Eligible Retirees				
CHAMPUS Eligible Dependents of Retirees				
Subtotal CHAMPUS Eligibles				
Medicare Eligible Beneficiaries				
Active Duty Family Members				
Guard/Reserve Family Members				
Retirees				
Family Members of Retirees				
Survivor				
Other				
Total Medicare Eligibles				
Total Average Eligible Beneficiaries				

Exhibit PB-11B Medical Workload and Productivity Data  
 (Page 1 of 5)

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

**DEFENSE HEALTH PROGRAM  
Medical Workload and Productivity Data**

	<u>FY PY</u> <u>Actual</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>CY-BY</u> <u>Change</u>
<b><u>Enrollees - Direct Care</u></b>				
TRICARE Region – North				
TRICARE Region – South				
TRICARE Region – West				
TRICARE Region – Europe				
TRICARE Region – Pacific				
Alaska				
Sub-Total CONUS Regions				
Sub-Total OCONUS Regions				
Total Direct Care Enrollees				
<b><u>Enrollees (Managed Care Support Contract)</u></b>				
TRICARE Region – North				
TRICARE Region –South				
TRICARE Region – West <sup>1</sup>				
Total MCS Contracts				
<b><u>Infrastructure</u></b>				
Operating Beds				
Inpatient Facilities				
Medical Clinics				
Dental Clinics				
Veterinary Clinics				

<sup>1</sup> Alaska in the West Contract is non-underwritten therefore not included in the total.

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

**DEFENSE HEALTH PROGRAM**  
**Medical Workload and Productivity Data**

FY PY <u>Actual</u>	FY CY <u>Estimate</u>	FY BY <u>Estimate</u>	CY-BY <u>Change</u>
------------------------	--------------------------	--------------------------	------------------------

**Direct Care System Workload (from MEPRS)**

Inpatient Admissions  
 Occupied Bed Days  
 Inpatient Relative Weighted Product (RWPs)  
 Average Length of Stays (Bed Days/Disposition)  
 Total Ambulatory Visits  
 Outpatient Relative Value Units (RVUs)  
 Pharmacy – Military Treatment Facilities Worldwide  
   Number of Scripts  
   Number of Users

**Dental Workload** (Dental Weighted Values (DWVs))

CONUS  
 OCONUS  
   Total DWVs

CONUS  
 Active Duty  
 Non-Active Duty  
   Total CONUS

OCONUS  
 Active Duty  
 Non-Active Duty  
   Total OCONUS

Exhibit PB-11B Medical Workload and Productivity Data  
 (Page 3 of 5)

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

**DEFENSE HEALTH PROGRAM**  
**Medical Workload and Productivity Data**

FY PY <u>Actual</u>	FY CY <u>Estimate</u>	FY BY <u>Estimate</u>	CY-BY <u>Change</u>
------------------------	--------------------------	--------------------------	------------------------

**Private Sector Workload**

## Managed Care Support Contracts (TRICARE Prime)

Inpatient Admissions

Inpatient Relative Weighted Product (RWPs)

Outpatient Visits

Outpatient Relative Value Units (RVUs)

## TRICARE Extra/Standard

Inpatient Admissions

Inpatient Relative Weighted Product (RWPs)

Outpatient Visits

Outpatient Relative Value Units (RVUs)

## Overseas CHAMPUS

Inpatient Admissions

Inpatient Relative Weighted Product (RWPs)

Outpatient Visits

Outpatient Relative Value Units (RVUs)

Pharmacy – **Purchased Care**

Retail:

Number of Scripts

Number of Users

Mail Order:

Number of Scripts

Number of Users

Exhibit PB-11B Medical Workload and Productivity Data  
 (Page 4 of 5)

Exhibit PB-11B Medical Workload and Productivity Data (Continued)

**DEFENSE HEALTH PROGRAM**  
**Medical Workload and Productivity Data**

FY PY <u>Actual</u>	FY CY <u>Estimate</u>	FY BY <u>Estimate</u>	CY-BY <u>Change</u>
------------------------	--------------------------	--------------------------	------------------------

## TRICARE Dental Program

Enrollment - Single Plan

Enrollment - Family Plan

Enrollment - Survivor Single Plan

Enrollment - Survivor Family Plan

NOTE: TRICARE Dental Program reporting methodology changed for FY 2010 and is not comparable to previous submissions

## Uniformed Services Family Health Plan

Enrollees (Non-Medicare eligible DoD only)

Enrollees (Medicare eligible DoD Only)

Exhibit PB-11B Medical Workload and Productivity Data  
(Page 5 of 5)

**VOLUME 2B, CHAPTER 13: “DEFENSE ENVIRONMENTAL RESTORATION”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue and underlined font\*\*\*](#).

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting and room location changes.	Refresh
13-11	ENV 30 Part 2 added Land Sale Revenue	Addition
13-20	ENV 30 Part 2 added Land Sale Revenue	Addition



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## CHAPTER 13

**DEFENSE ENVIRONMENTAL RESTORATION**

## 1301 GENERAL

## 130101. Purpose

A. This chapter provides instructions applicable to programming and budget formulation for the Department's combined Program and Budget Review and congressional justification for the Defense Environmental Restoration Program appropriations (including munitions related responses at Formerly Used Defense Sites and closed sites at active installations). Volume 2B, Chapter 7, cleanup activities funded by Base Realignment and Closing (BRAC) appropriations. The Departments Environmental Restoration programs must comply with all the requirements levied by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act (SARA), and the Resource Conservation and Recovery Act (RCRA) legislation. This chapter provides the programming, budgeting, and performance data necessary to respond to congressional concerns and OMB guidance to link the Department's budget for the Environmental Restoration accounts to the Department's cleanup performance goals as follows:

1. Reduce relative risk at 100% of high relative risk sites by end of FY 2007 for active installations and Formerly Used Defense Sites (FUDS).
2. Reduce relative risk at 100% of medium relative risk sites by end of FY 2011 for active installations and FUDS.
3. Reduce relative risk at 100% of low relative risk sites by end of FY 2014 for active installations (FY 2020 for FUDS).
4. Complete preliminary assessments or equivalent for 100% of all munitions response sites by end of 2007.
5. Complete site inspections or equivalent for 100% of all munitions response sites by the end of 2010.

B. The appropriations that finance the Defense Environmental Restoration Program include the following subsections:

Operation and Maintenance  
Procurement  
Military Construction

## 130102. Submission Requirements

General guidance with regard to submission requirements is presented in Chapter 1. Chapter 13 covers specific backup material requirements for the Defense

Environmental Restoration Program. The Deputy Under Secretary of Defense, Installations and Environment (DUSD(I&E)) of the USD (AT&L) is responsible for all submission requirements for this program (See Volume 2A, Chapter 1 of this regulation).

130103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 13 provides additional specific guidance with regard to the back-up material required for the Defense Environmental Restoration Program (See Volume 2A, Chapter 1 of this regulation).

130104. References

Chapter 1 provides general funding policies, Chapter 3 provides specific policies related to Operation and Maintenance costs, Chapter 4 provides specific policies related to Procurement appropriations, Chapter 5 provides specific policies related to RDT&E funding, and Chapter 6 provides specific policies related to Military Construction appropriations (See Volume 2A, Chapters 1,3 and Volume 2B, Chapters 4–6).

130105. Definitions

A. Program Management and Support. This sub-element identifies administrative and overhead expenses associated with the Defense Environmental Restoration Program, including civilian salaries.

B. Installation Restoration Program (IRP). This sub-element is a comprehensive program to identify, investigate, and cleanup contamination from hazardous substances and wastes resulting from past DoD activities on active installations and formerly-used DoD lands. This includes requirements incident to remedial action, both on-installation and off-installation (e.g., provision of permanent alternate potable water supplies to communities affected by groundwater contamination that resulted from DoD activity). Actions under this element may include:

1. Investigations to identify, confirm and quantify contamination; feasibility studies; remedial action plans and designs; and remedial or removal actions.
2. Research, development and technology demonstrations necessary to conduct cleanups.
3. Expenses associated with cooperative multi-party cleanup plans and activities.
4. Remedial actions to protect or restore natural resources damaged by contamination from past hazardous waste disposal activities.

5. Cleanup of low-level radioactive waste sites which meet the criteria of the CERCLA, as amended.

6. Remedial action construction costs.

7. Remedial action operations costs.

8. Costs of long-term management.

9. Immediate actions necessary to address health and safety concerns such as providing alternate water supplies or treatment of contaminated drinking water, when the hazard results from a release from DoD property.

10. CERCLA assessments necessary prior to accessing real property assets.

11. Proportion of RCRA permit preparation associated with solid waste management units which would meet the definition of a past disposal site under CERCLA, as amended.

C. Building Demolition and Debris Removal Program (BD/DR). This sub-element applies to both active installations and formerly-used DoD lands. The purpose of this sub-element is to plan and execute a comprehensive program to demolish and remove unsafe buildings and structures. Expenses incident to complete restoration, such as restoration of natural resources are included if such expenses are clearly and directly related to the demolition and debris removal. Demolition that is required as part of a new construction project is excluded. Actions under this element may include:

1. The demolition of buildings or the removal of debris that constitute a safety hazard on active installations.

2. The demolition of buildings or the removal of debris which constitute a safety hazard on lands formerly-used by the Department of Defense, provided such lands were transferred to state or local governments or native corporations.

D. Munitions Response: This sub-element captures DoD clearance and cleanup requirements to investigate and address the explosives safety, human health, or environmental risks presented by munitions and munitions constituents at formerly used defense sites and closed sites at active installations as well as BRAC installations. All DoD Components participating in the Environmental Restoration Program, including FUDS, shall program and budget for munitions response requirements. This sub-element does not include cleanup of active and inactive ranges at active installations. Munitions response at BRAC installations are in the BRAC account and funding will transfer to the appropriate Environmental Restoration account upon expiration of the BRAC account.

## 1302 PROGRAM AND BUDGET REVIEW SUBMISSION

## 130201. Purpose

This Section provides guidance for preparation and submission of program and budget estimates for the Defense Environmental Restoration Program. The budget estimate component consists of all operation and maintenance, procurement, and Military Construction resources that support the Defense Environmental Restoration Program. The Components should consult all of the other chapters for exhibit requirements that are not specifically addressed in this chapter including Chapter 19, Other Special Analyses.

## 130202. Submission Requirements

A. The Department will collect both POM and budget data through the Select & Native Programming Data Input System (SNaP) process. For Environmental Restoration appropriations, the PDR (Programming Data Requirements) will be collected in PDR exhibits ENV 30 Parts 1-3. In addition, the Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review Submission. The DUSD(I&E) is responsible for review, approval, and consolidation of the narrative justification material and ENV 30 Parts 1-3 for the Defense Agency submissions and the Army's submission (as the DoD Executive Agent) for the Formerly-Used Defense Sites. The diskette of installation level detail required by the DUSD(I&E) should be forwarded together with the Components' justification material to the OUSD (Comptroller) P/B Operations and Personnel Directorate, Room 3C710, Pentagon.

B. Two weeks prior to the above submissions, the Components must provide appropriate updates to the DUSD (I&E) data required by DoD Instruction 4715.7 for each site regarding status, schedule, and cost to complete. Data is required for incorporation into the DUSD(I&E) Project Management database.

C. The Components and DUSD(I&E) are also responsible for providing data to update the Comptroller Information System (CIS)) and the Future Year Defense Plan (FYDP) automated systems for the various Environmental Restoration appropriations as identified in Chapter 1 and for updating the OP-32 exhibit (Summary of Price and Program Change) identified in Chapter 3 (See Volume 2A, Chapters 1 and 3 of this regulation).

D. In addition to submitting the above items, the DUSD(I&E) is responsible for establishing policy for the Defense Environmental Restoration Program.

E. Examples of data collection exhibits, ENV 30 Parts 1-3, can be found in Section 1304 (See section 1304, below).

## 1303 CONGRESSIONAL JUSTIFICATION/PRESENTATION

## 130301. Purpose

This section presents the exhibit requirement for submission to the Congress.

## 130302. Submission Requirements

A. The Military Departments and applicable Defense Agencies will update the SNaP immediately upon completion of the Program Budget Decisions and budget lock by the Department. In addition, the Military Departments and applicable Defense Agencies shall provide the USD(Comptroller) with a revised narrative justification for their respective programs reflecting any changes from the program and budget review. The SNaP system will reformat the data into congressional justification exhibits, which can be printed out by the respective Components and included in their justification materials. The DUSD (I&E) is responsible for review, final approval, and consolidation of the congressional justification material and ENV 30 Budget Exhibits for the Defense Agencies submission and the Army's submission (as the DoD Executive Agent) for FUDS.

B. The Components must provide updates reflecting any changes from the program/budget review to the Deputy Under Secretary of Defense (I&E) data required by [DoD Instruction 4715.7](#) for each site regarding status, schedule, and cost to complete. Data is required for incorporation into the DUSD(I&E) Project Management database.

C. The diskette of installation level detail required by the DUSD(I&E) should be forwarded together with the Components' justification material to the OUSD (Comptroller) P/B Operations and Personnel Directorate, Room [3C710](#), Pentagon. Copy requirements are identified in Chapter 1 (See Volume 2A, Chapter 1 of this regulation).

D. The Components and DUSD(I&E) are also responsible for providing data to update the Future Year Defense Plan (FYDP) automated systems for the various Environmental Restoration appropriations as identified in Chapter 1 and for updating the OP-32 exhibit (Summary of Price and Program Change) identified in Chapter 3 (See Volume 2A, Chapters 1 and 3 of this regulation).

E. Examples of SNaP data entry sheets and all ENV 30 program and budget exhibits produced by SNaP are displayed below in paragraph 130402, Exhibits in Support of Defense Environmental Restoration.

## 1304 DEFENSE ENVIRONMENTAL RESTORATION PROGRAM SUBMISSION AND JUSTIFICATION FORMATS

## 130401. Purpose

The data entry sheets required for the SNaP system for all Environmental Restoration appropriations are included on the following pages. Additionally, examples of the ENV 30 exhibits produced by SNaP for congressional justification are provided.

## 130402. Data Entry Sheets and Exhibits in Support of Defense Environmental Restoration

Env 30 Part 1 DERA and BRAC Funds Budgeted for Environmental Clean-Up Program Management and Support.....9

Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management .....12

Env 30 Part 3 Performance Metrics .....26

Env 30 Part 1 DERA and BRAC Funds Budgeted for Environmental Clean-Up

**Env 30 Part 1 DERA and BRAC Funds Budgeted for Environmental Clean-Up Program Management and Support**

Class	Component	FUDS	FundSource	ProgramManagementActivity	PY	CY	BY1	BY2	BY2+1	BY2+2	BY2+3

BY2+4	BalanceToComplete
-------	-------------------

**Instructions**

- 1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 1 captures Program Management and Support activity funding.
- 2) For all Fund Source Programs provide baseline Total Obligated Authority (TOA) for all years identified and Balance to Complete by Program Management Activity.
- 3) Report baseline TOA in \$Thousands by year for all funding lines.
- 4) Legacy BRAC includes rounds I through IV BRAC.
- 5) BRAC 2005 includes and separately identifies Environmental Costs associated with BRAC 2005.
- 6) Components shall program adequate resources in each year of the FYDP to achieve the program goals for all restoration activities.
- 7) Components shall provide to the DUSD (I&E) (no later than two weeks before their POM and budget submissions) the updated relative risk site evaluations.
- 8) The Military Departments must ensure their POM and budget submission contains sufficient funding to update the annual Range Inventory requirements established in Section 311 2710(a) of the FY 2002 National Defense Authorization Act and as specified in the DUSD(I&E) DERP Management Guidance issued in September of 2001.
- 9) If needed, be prepared to provide a narrative in a Word document that describes for the ATSDR funding the number of health assessments and health studies planned each year; and for the DSMOA funding the number of installations and total DERA or BRAC dollars by state planned for each year.
- 10) Fund Source Programs of BRAC-IRP and BRAC-Munitions Response apply to all listed Program Management activities.
- 11) Fund Source Programs of Environmental Restoration-IRP and Environmental Restoration-Munitions Response apply to all listed Program Management activities except EPA.
- 12) The reporting entities (Services/Agencies) directed to submit this data requirement. Refers to Military Departments, DLA and DTRA .11) See Appendix A for reporting requirements for your organization.

**Definitions**

**Class:** System Field: Classification

**C:** CONFIDENTIAL

**C/NF:** CONFIDENTIAL//NOFORN

**F:** FOR OFFICIAL USE ONLY

**S:** SECRET

**S/NF:** SECRET//NOFORN

**U:** UNCLASSIFIED

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Env 30 Part 1 DERA and BRAC Funds Budgeted for Environmental Clean-Up (Continued)

**Component:** For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency.

**Active:**

**DADW:** Defense Area Defense Wide. Used by non-service defense agencies.

**Guard:**

**Reserve:**

**FUDS:** Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a 'Yes' or 'No' value. All other Services/Agencies will enter 'No' as the FUDS data value.

**No:**

**Yes:**

**FundSource:**

**BRAC-IRP:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005.

**BRAC-Munitions Response:** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005.

**Environmental Restoration-IRP:** Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

**Environmental Restoration-Munitions Response:** Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

**ProgramManagementActivity:**

**ATSDR:** \$TOA captures funding requirements for the Agency for Toxic Substance and Disease Registry

**DSMOA:** \$TOA captures funding requirements for Defense and State Memorandum of Agreement

**EPA Funding:** \$TOA captures BRAC requirements for payments to the Environmental Protection Agency (EPA) for support per memorandum of understanding with EPA..

**Fines:** \$TOA captures known or planned fines through the budget year. Components must fully fund programs to ensure no fines are routinely planned in the outyears

**Management:** \$TOA overhead expenses (except workyears) associated with Program Management and Support as identified in the DUSD(I&E) DERP Management Guidance issued in September of 2001.

**Work Years:** \$TOA government salaries/benefits associated with Program Management and Support in accordance with the President's Fast Track Initiative.

**BalanceToComplete:** Total Funding beyond the FYDP required to complete the activity.

#### **Business Rules**

1) Provide data entry rules in accordance with relationship matrices.

Data Matrix: Fund Source, Program Management Activity Relationship

**Data Matrix: Fund Source, Program Management Activity Relationship**

<b>Fund Source</b>	<b>Program Management Activity</b>
Environmental Restoration-IRP	Management
	Work Years
	ATSDR
	DSMOA
	Fines
Environmental Restoration-Munitions Response	Management
	Work Years
	ATSDR
	DSMOA
	Fines
Legacy BRAC-IRP	EPA Funding
	Management
	Work Years
	ATSDR
	DSMOA
Legacy BRAC-Munitions Response	Fines
	EPA Funding
	Management
	Work Years
	ATSDR
BRAC 2005-IRP	DSMOA
	Fines
	Management
	Work Years
	ATSDR
BRAC 2005-Munitions Response	DSMOA
	Fines
	Management
	Work Years
	ATSDR

**Subject Matter Experts:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

Data Matrix: Fund Source, Program Management Activity Relationship  
(Page 1 of 1)

Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up

*Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management*

Class	Component	FUDS	FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType	SiteFundingRequirements	PY	CY
BY1	BY2	BY2+1	BY2+2	BY2+3	BY2+4	BalanceToComplete			

*Instructions*

- 1) The new ENV 30 replaces the former ENV 30 DERA and ENV 1A/1B BRAC exhibits. Part 2 captures Project Management activity breakouts for IRP, Munitions Response, BD/DR, BRAC Compliance, and BRAC Planning. Legacy BRAC includes BRAC rounds I-IV, and there is a separate format required for BRAC 2005.
- 2) For all Fund Sources, all Clean-Up Programs provide number of sites and funding by Clean-Up and Analysis in all years identified and Balance to Complete. See Relationship Matrix below. For BRAC Planning and BRAC Compliance, provide number of facilities in lieu of sites.
- 3) Only the Army reports FUDS.
- 4) For Clean-up Action—for Assessments, Analysis/Investigation, Interim Actions, Remedial Designs, and Remedial Action Construction provide the funding detail by Relative-Risk or MRSPP Level and Type.
- 5) If there is no analysis associated with an action, report funding only.
- 6) Components shall program adequate resources in each year of the FYDP to achieve the programs goals for all restoration activities.
- 7) Military Departments and applicable Defense Agencies shall develop and submit to the Comptroller separate narrative justification material (including any program increases and decreases) for their respective programs as part of their Program and Budget Review submission.
- 8) Components shall provide to the DUSD (I&E) no later than two weeks before their POM and budget submissions are due to OSD, the updated relative risk site evaluations, site status updates and cost to complete estimates for every site as required by DoD Instruction 4715.7.
- 9) The reporting entities directed to submit this data requirement refers to Military Departments (Active, Guard, Reserve)/Defense Agencies.

*Definitions***Class:** System Field: Classification**C:** CONFIDENTIAL**C/NF:** CONFIDENTIAL//NOFORN**F:** FOR OFFICIAL USE ONLY**S:** SECRET**S/NF:** SECRET//NOFORN**U:** UNCLASSIFIED**Component:** For the Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency. Army also reports for FUDS.**Active:****DADW:** Defense Area Defense Wide. Used by non-service defense agencies.**Guard:****Reserve:**

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Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management (Continued)

**FUDS:** Army will use this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a “Yes” or “No” value. All other Services/Agencies will enter “No” as the FUDS data value

*No:*

*Yes:*

**FundSource:**

***BRAC-Building Demolition/Debris Removal:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense. Separate entries are required for Legacy BRAC and BRAC 2005.

***BRAC-COMPLIANCE:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.6. Separate entries are required for Legacy BRAC and BRAC 2005

***BRAC-IRP:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Covers the Hazardous and Petroleum Waste project management. Separate entries are required for Legacy BRAC and BRAC 2005

***BRAC-Munitions Response:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at BRAC installations. Separate entries are required for Legacy BRAC and BRAC 2005

***BRAC-PLANNING:*** Funded by Base Realignment and Closure environmental sub-accounts within the MILCON appropriation. See DoD Instruction 4715.9. Separate entries are required for Legacy BRAC and BRAC 2005

***Environmental Restoration-Building Demolition/Debris Removal:*** Funded by Environmental Restoration appropriations. The demolition and removal of unsafe buildings and structures in accordance with DERP Management Guidance at facilities or sites that are or were owned by, leased to, or otherwise possessed by the United States under the jurisdiction of the Secretary of Defense.

***Environmental Restoration-IRP:*** Funded by Environmental Restoration appropriations. Covers the Hazardous and Petroleum Waste project management.

***Environmental Restoration-Munitions Response:*** Funded by Environmental Restoration appropriations. Clean up activities (i.e., the identification, investigation, and removal actions, remedial actions, or a combination of removal and remedial actions) to address military munitions (i.e., UXO) or the chemical residues of munitions at FUDS properties, or on closed munitions response sites at active installations.

***Land Sale Revenue:*** A one line entry for Legacy BRAC and BRAC 2005 to indicate how much land sale revenue will be applied to Environmental Requirements.

Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management (Continued)

**CleanUpAction:**

**Analysis/Investigation:** Analysis used to characterize the nature, extent, and risk of releases of hazardous substances into the environment and to develop and select a cleanup remedy.

**Assessments:** A limited scope investigation designed to distinguish sites that pose little or no threat to human health and the environment from sites that require further investigation. The assessment typically is based on installation records searches, visual site inspections, and interviews with personnel.

**Interim Actions:** An interim measure that can be implemented at any time in the restoration process and that is designed to abate contamination until the final remedial action can be implemented.

**Land Sale Revenue:** Term used to identify funds recovered from the sale of real property used to offset restoration funding requirements.

**Long Term Management:** Term used for environmental monitoring, review of site conditions, and/or maintenance of a remedial action to ensure continued protection as designed once a site achieves response complete.

**N/A:** Not applicable; leave blank.

**No Further Action:** No further action planned or funded.

**Potentially Responsible Party:** (PRP)-As defined in the Comprehensive Environmental Response Compensation and Liability Act(CERCLA) Recovery-Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

**Recovery:** Pursuant to 10USC Section 2703(d)(1) and (2) Components are authorized to credit their environmental restoration account with amounts recovered pursuant to CERCLA for response costs at DERP sites.

**Remedial Action Construction:** The restoration phases during which the final remedy is being put in place. The end date signifies that the construction is complete, all testing has been accomplished, and that the remedy will function properly.

**Remedial Action Operations:** Remedial Action Operations (RAO) - The period when a remedy is being operated but cleanup objectives have not yet been achieved.

**Remedial Designs:** Restoration phases during which construction parameters and equipment specifications for a selected cleanup technology are defined.

**RiskMSRPPLLevel:** Risk Level as defined to the DoD Relative Risk Site Evaluation Primer or Munitions Response Site Prioritization Protocol (MRSPP) priority level.

**High Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Low Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Medium Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**MRSPP 1:** As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPP 2:** As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPP 3:** As defined in the MRSPP Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

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Env 30 Part 2 DERA and BRAC Funds Budgeted for Environmental Clean-Up Project Management (Continued)

**MRSPF 4:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF 5:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF 6:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF 7:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF 8:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF Evaluation Pending:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF No Known or Suspected Hazard:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

**MRSPF No Longer Required:** As defined in the MRSPF Final Rule, Part 179.6, Federal Register Vol. 70, No. 192

N/A: N/A

N/A: Not applicable; leave blank.

**Not Evaluated Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

#### **RiskMSRPPTType:**

N/A: Not applicable; leave blank.

**With Agreements:**

**With Reuse:** Action is necessary to support a future land use identified in an approved Reuse Plan.

**Without Agreements:**

**Without Reuse:** Future land reuse either has not been identified or the action is not necessary to support a future land use identified in an approved Reuse Plan.

#### **SiteFundingRequirements:**

**Analysis:** \$TOA (and includes PA/SI and RI/FS activities)

**Clean-up:** \$TOA (includes IRA, RD, and RA-C activities)

**Sites:** # of sites (projects for FUDS) at the beginning of the FY.

**BalanceToComplete:** Balance to Complete: Total Funding beyond required to complete the projected.

#### ***Business Rules***

*Data Matrix: FundSource, CleanUpAction, RiskMSRPPLLevel, RiskMSRPPTType Relationship*

FundSource	CleanUpAction	RiskMSRPPLevel	RiskMSRPPType
Environmental Restoration-IRP	Analysis/Investigation	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Assessments	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
N/A		N/A	
		With Agreements	
		Without Agreements	
	High Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Medium Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Low Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Not Evaluated Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	N/A	N/A	
		With Agreements	
		Without Agreements	
Interim Actions	High Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Medium Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Low Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Not Evaluated Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	N/A	N/A	
		With Agreements	
		Without Agreements	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
	Land Sale Revenue		With Agreements
			Without Agreements
			N/A
	With Agreements		
	Without Agreements		
	N/A		
	With Agreements		
	Without Agreements		
	Without Agreements		
	Potentially Responsible Party	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
		N/A	N/A
			With Agreements
			Without Agreements
	Recovery	High Relative Risk	N/A
			With Agreements
			Without Agreements
		Medium Relative Risk	N/A
			With Agreements
			Without Agreements
		Low Relative Risk	N/A
			With Agreements
			Without Agreements
		Not Evaluated Relative Risk	N/A
			With Agreements
			Without Agreements
N/A		N/A	
		With Agreements	
		Without Agreements	
Remedial Action Construction	High Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Medium Relative Risk	N/A	
		With Agreements	
		Without Agreements	
	Low Relative Risk	N/A	



FundSource	CleanUpAction	RiskMSRPLevel	RiskMSRPType	
			With Agreements	
			Without Agreements	
		Not Evaluated Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		N/A	N/A	
			With Agreements	
			Without Agreements	
			Remedial Action Operations	N/A
				With Agreements
				Without Agreements
	Remedial Designs	High Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Medium Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Low Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		Not Evaluated Relative Risk	N/A	
			With Agreements	
			Without Agreements	
		N/A	N/A	
			With Agreements	
			Without Agreements	
Environmental Restoration-Munitions Response	Analysis/Investigation	MRSPP 1	N/A	
		MRSPP 2		
		MRSPP 3		
		MRSPP 4		
		MRSPP 6		
		MRSPP 7		
		MRSPP 8		
		MRSPP Evaluation Pending		
		MRSPP No Known or Suspected Hazard		
		MRSPP No Longer Required		
		MRSPP 5		
		Assessments		MRSPP 1
	MRSPP 2			
	MRSPP 3			
	MRSPP 4			
	MRSPP 6			
	MRSPP 7			
	MRSPP 8			

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		MRSPPEvaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Interim Actions	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPPEvaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	Long Term Management	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPPEvaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
		MRSPP 5	
	No Further Action	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPPEvaluation Pending	
		MRSPP No Known or Suspected Hazard	
		MRSPP No Longer Required	
	Potentially Responsible Party	MRSPP 1	
		MRSPP 2	
		MRSPP 3	
		MRSPP 4	
		MRSPP 6	
		MRSPP 7	
		MRSPP 8	
		MRSPPEvaluation Pending	

FundSource	CleanUpAction	RiskMSRPLevel	RiskMSRPType
		MRSP No Known or Suspected Hazard	
		MRSP No Longer Required	
		MRSP 5	
		MRSP 1	
	Recovery	MRSP 2	
		MRSP 3	
		MRSP 4	
		MRSP 6	
		MRSP 7	
		MRSP 8	
		MRSP Evaluation Pending	
		MRSP No Known or Suspected Hazard	
		MRSP No Longer Required	
		MRSP 5	
	Remedial Action Construction	MRSP 1	
		MRSP 2	
		MRSP 3	
		MRSP 4	
		MRSP 6	
		MRSP 7	
		MRSP 8	
		MRSP Evaluation Pending	
		MRSP No Known or Suspected Hazard	
		MRSP No Longer Required	
		MRSP 5	
	Remedial Action Operations	MRSP 1	
		MRSP 2	
		MRSP 3	
		MRSP 4	
		MRSP 6	
		MRSP 7	
		MRSP 8	
		MRSP Evaluation Pending	
		MRSP No Known or Suspected Hazard	
		MRSP No Longer Required	
		MRSP 5	
	Remedial Designs	MRSP 1	
		MRSP 2	
		MRSP 3	
		MRSP 4	
		MRSP 6	
		MRSP 7	
		MRSP 8	
		MRSP Evaluation Pending	
		MRSP No Known or Suspected Hazard	

FundSource	CleanUpAction	RiskMSRPLevel	RiskMSRPType
		MRSP No Longer Required	
		MRSP 5	
Environmental Restoration-Building Demolition/Debris Removal	N/A	N/A	
Legacy BRAC-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
	Assessments	Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
	Long Term Management	Low Relative Risk	
		Not Evaluated Relative Risk	
	Potentially Responsible Party	High Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	

FundSource	CleanUpAction	RiskMSRPLevel	RiskMSRPType
		Not Evaluated Relative Risk	
Legacy BRAC-Building Demolition/Debris Removal	N/A	N/A	N/A
Legacy BRAC-PLANNING			
Legacy BRAC-COMPLIANCE			
Legacy BRAC Land Sale Revenue			
BRAC 2005-IRP	Analysis/Investigation	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Assessments	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Interim Actions	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
	Long Term Management	N/A	
	Potentially Responsible Party	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Recovery	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Construction	High Relative Risk	
		Medium Relative Risk	
		Low Relative Risk	
		Not Evaluated Relative Risk	
	Remedial Action Operations	N/A	
	Remedial Designs	High Relative Risk	
		Medium Relative Risk	

FundSource	CleanUpAction	RiskMSRPPLLevel	RiskMSRPPTType
		Low Relative Risk	
		Not Evaluated Relative Risk	
BRAC 2005-Building Demolition/Debris Removal	N/A	N/A	N/A
BRAC 2005-PLANNING			
BRAC 2005-COMPLIANCE			

**Subject Matter Experts:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.



Env 30 Part 3 Performance Metrics

## Env 30 Part 3 Performance Metrics

Class	Component	FUDS	FundSource	SitesInstallations	RelativeRiskLevelIRPPhaseMR	SitesPriorTo2005SitesPriorTo2006	PY	CY	BY1	BY2
-------	-----------	------	------------	--------------------	-----------------------------	----------------------------------	----	----	-----	-----

BY2+1	BY2 +2	BY2 +3	BY2 +4
-------	--------	--------	--------

**Instructions**

- 1) Provide total number of Legacy BRAC, BRAC 2005, and DERA IRP sites and the number of sites that will be cleaned up.
- 2) Provide the total number of Legacy BRAC installations and total number of Legacy BRAC installations that will be cleaned up. Separately entries are required for Legacy BRAC and BRAC 2005.
- 3) Provide the total number of BRAC V installations and total number of BRAC V installations that will be cleaned up.
- 4) Report DERA IRP sites by relative risk level--high, medium and low.
- 5) Provide narrative in a word document in SNaP explaining why the percent of sites cleaned up reported above misses established goal.
- 6) Provide the total number of DERA munitions response (MR) sites completing a preliminary assessment.
- 7) Provide the total number of DERA MR sites completing a site inspection.
- 8) Provide the total number of DERA MR sites.
- 9) Provide the total number of DERA MR sites cleaned up.
- 10) Provide the total number of Legacy BRAC MR sites cleaned up.
- 11) Provide the total number of Legacy BRAC MR sites.
- 12) Provide the total number of BRAC 2005 MR sites cleaned up.
- 13) Provide the total number of BRAC 2005 MR sites.
- 14) DERA IRP Goal: 50% of High Sites by the end of FY 2002; 100% of High Sites by the end of FY 2007; 100% of Medium Sites by the end of FY 2011; 100% of Low Sites by the end of FY 2014.
- 15) Legacy BRAC IRP Goal: 100% Sites RIP/RC by end of FY2015.
- 16) BRAC 2005 IRP Goal: 100% Sites RIP/RC by end of FY2010.
- 17) DERA MMRP Goal: 100% Sites completed PA or equivalent by end of FY 2007; 100% Sites completed SI or equivalent by end of FY 20010; 100% Sites at RIP/RC by end of FY TBD.

Env 30 Part 3 Performance Metrics  
(Page 1 of 4)

Env 30 Part 3 Performance Metrics (Continued)

- 18) Legacy BRAC MMRP Goal: 100% Sites RIP/RC by end of FY 2009.
- 19) BRAC 2005 MMRP Goal: 100% Sites RIP/RC by end of FY2010.
- 20) The reporting entities directed to submit this data requirement. Refers to Military Departments (Active, Guard, Reserve)/Defense Agencies

*Definitions*

**Class:** System Field: Classification

***C:*** CONFIDENTIAL

***C/NF:*** CONFIDENTIAL//NOFORN

***F:*** FOR OFFICIAL USE ONLY

***S:*** SECRET

***S/NF:*** SECRET//NOFORN

***U:*** UNCLASSIFIED

**Component:** Identifies the duty status for military service units and defense agencies.

***Active:***

***DADW:*** Defense Area Defense Wide. Used by non-service defense agencies.

***Guard:***

***Reserve:***

**FUDS:** Army will use the this field to identify the Formerly Used Defense Sites (FUDS) data by selecting a 'Yes' or 'No' value. All other Services/Agencies will enter 'No' as the FUDS data value.

***No:***

***Yes:***

**FundSource:**

***Legacy BRAC:*** Funded by Base Realignment and Closure environmental sub-accounts I-IV within the MILCON appropriation.

***BRAC 2005 :*** Funded by Base Realignment and Closure environmental sub-accounts for BRAC 2005 within the MILCON appropriation

***DERA:*** Funded by Environmental Restoration appropriations.

Env 30 Part 3 Performance Metrics  
(Page 2 of 4)

**Sites Installations:**

**Number of DERA IRP Sites Cleaned Up:** Provide the number of sites by risk level planned to be cleaned up in year specified.

**Number of DERA MR Sites with Phase Completion:** Provide the number of sites having their associated phase completed in year specified.

**Total Number of Legacy BRAC Installations:** Provide the total number of Legacy BRAC installations in the year specified.

**Total Number of BRAC 2005 Installations:** Provide the total number of BRAC 2005 installations in the year specified.

**Total Number of BRAC Installations Cleaned Up:** Provide the total number of Legacy BRAC installations in the year specified.

**Total Number of BRAC Installations Cleaned Up:** Provide the total number of BRAC 2005 installations in the year specified.

**Total Number of Legacy BRAC IRP Sites:** Provide the total number of Legacy BRAC IRP sites in the year specified.

**Total Number of BRAC 2005 IRP Sites:** Provide the total number of BRAC 2005 IRP sites in the year specified.

**Total Number of Legacy BRAC IRP Sites Cleaned Up:** Provide the number of Legacy BRAC IRP sites planned to be cleaned up in year specified

**Total Number of BRAC 2005 IRP Sites Cleaned Up:** Provide the number of BRAC 2005 IRP sites planned to be cleaned up in year specified

**Total Number of Legacy BRAC MR Sites:** Provide the total number of Legacy BRAC sites in the year specified.

**Total Number of BRAC 2005 MR Sites:** Provide the total number of BRAC 2005 sites in the year specified.

**Total Number of Legacy BRAC MR Sites Cleaned Up:** Provide the number of Legacy BRAC MR sites to be cleaned up in year specified.

**Total Number of BRAC 2005 MR Sites Cleaned Up:** Provide the number of BRAC 2005 MR sites to be cleaned up in year specified.

**Total Number of DERA IRP Sites:** Provide the total number of sites by risk level in year specified.

**Total Number of DERA MR Sites:** Provide the total number of sites in the year specified.

**Total Number of DERA MR Sites Cleaned Up:** Provide the number of DERA MR sites to be cleaned up in the year specified.

**Relative Risk Level IRP Phase MR:** Identify relative risk associated with IRP sites/installations and identify phase completions for MR sites completing a CERCLA preliminary assessment (PA) or equivalent and/or phase completions for MR sites completing a CERCLA site inspection (SI) or equivalent.

**High Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**Low Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

Env 30 Part 3 Performance Metrics (Continued)

**Medium Relative Risk:** As defined in the DoD Relative Risk Site Evaluation Primer.

**N/A:** Not applicable; leave blank.

**Preliminary Assessment:** A review of existing information to determine if a release may require additional investigation or action.

**Site Inspection:** An on-site investigation to determine whether there is a release or potential release.

**SitesPriorTo2006:** Provide the cumulative total of all sites prior to 2006 by appropriate metric category (e.g., relative-risk lever, phase completion, sites cleaned up).

**Business Rules**

- 1) *All input values will have a default value of 0.*
- 2) *Total Number of IRP Sites, Total Number of DERA MR Sites, Total Number of BRAC IRP Sites, and Total Number of BRAC IRP Installations will only allow input value of 0 in all years past the Current Year to denote that the Installation and Site inventory growth are not projected in SNaP*

Data Matrix: Fund Source, Sites Installations, Relative Risk Level IRP Phase MR Relationship

Data Matrix: Fund Source, Sites Installations, Relative Risk Level IRP Phase MR Relationship

Fund Source	Sites Installations	Relative Risk Level IRP Phase MR
DERA	Number of DERA IRP Sites Cleaned Up	High Relative Risk
		Medium Relative Risk
		Low Relative Risk
	Total Number of DERA IRP Sites	High Relative Risk
		Medium Relative Risk
		Low Relative Risk
	Number of DERA MR Sites with Phase Completion	Preliminary Assessment
		Site Inspection
Legacy BRAC	Total Number of DERA MR Sites	N/A
	Total Number of DERA MR Sites Cleaned Up	
	Total Number of BRAC IRP Sites Cleaned Up	
	Total Number of BRAC IRP Sites	
	Total Number of BRAC Installations Cleaned Up	
	Total Number of BRAC MR Sites Cleaned Up	
	Total Number of BRAC MR Sites	
	Total Number of BRAC Installations	
BRAC 2005	Total Number of BRAC IRP Sites Cleaned Up	
	Total Number of BRAC IRP Sites	
	Total Number of BRAC Installations Cleaned Up	
	Total Number of BRAC MR Sites Cleaned Up	
	Total Number of BRAC MR Sites	
	Total Number of BRAC Installations	

**Subject Matter Experts:** Questions regarding this data requirement should be directed to Shah Choudhury 703-571-9067 and Bob Furlong 703-571-9073.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

Data Matrix: Fund Source, Sites Installations, Relative Risk Level IRP Phase MR Relationship  
(Page 1 of 1)

**VOLUME 2B, CHAPTER 14: “DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue and underlined font\*\*\*](#).

The previous version dated June 2007 is archived.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Date refresh, room number change, and deletion of biennial budget requirements (BY1/BY2).	Refresh

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**CHAPTER 14****DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES**

## 1401 GENERAL

## 140101. Purpose

A. This chapter provides instructions applicable to budget formulation and congressional justification for Drug Interdiction and Counter-drug Activities.

B. The following accounts are covered as subsections of the Drug Interdiction and Counter-drug Activities, Defense appropriation:

Military Personnel

Operation and Maintenance

Procurement

Research, Development, Test, and Evaluation (RDT&E)

## 140102. Submission Requirements.

General guidance with regard to submission requirements is presented in Chapter 1 (See Volume 2A, Chapter 1). Chapter 14 covers specific backup material requirements for the Drug Interdiction and Counter-drug Activities program. The Office of the Deputy Assistant Secretary of Defense (Counternarcotics, Counterproliferation, and Global Threats) (ODASD(CN,CP&GT)) is responsible for all submission requirements for this program. The Components are responsible for providing all needed input to ODASD(CN,CP&GT) consistent with the submission requirements and due dates established by ODASD(CN,CP&GT).

## 140103. Preparation of Material.

General guidance with regard to format and preparation of material is presented in Chapter 1 (See Volume 2A, Chapter 1). Chapter 14 provides additional specific guidance with regard to the back-up materials required for the Drug Interdiction and Counter-drug Activities program.

## 140104. References.

Chapter 1 provides general funding policies. Chapter 2 provides specific policies and formats for the Military Personnel appropriations. Chapter 3 provides specific policies and formats related to Operation and Maintenance costs. Chapter 4 provides specific policies and formats related to Procurement appropriations. Chapter 5 provides specific policies and formats related to RDT&E funding. Chapter 16 provides specific instructions applicable to budget



formulation, implementation, and congressional justification for intelligence program aggregations, and is applicable to the Defense Intelligence Counternarcotics Program (DICP) of the Military Intelligence Program (MIP) aggregation. (See Volume 2A, Chapters 1-3 and Volume 2B Chapters 4-6 and 16).

## 1402 PROGRAM AND BUDGET REVIEW SUBMISSION

### 140201. Purpose

This section provides guidance for preparation and submission of program and budget estimates for the Drug Interdiction and Counter-drug Activities program. The program and budget review submission consists of all Reserve/National Guard military personnel, operation and maintenance, procurement, and RDT&E resources that support the Drug Interdiction and Counter-drug Activities Program.

### 140202. Submission Requirements

A. The Office of the Deputy Assistant Secretary of Defense (Counternarcotics, Counterproliferation, and Global Threats) (ODASD(CN,CP&GT)) is responsible for submitting all exhibits required to support military personnel, operation and maintenance, procurement, and RDT&E requirements as specified in this Chapter to the OUSD (Comptroller) Operations Directorate, Room 3C749 for the OSD program and budget review submission. This includes the various exhibits for the Drug Interdiction and Counter-drug Activities program found below in Section 1404 of this chapter, as well as other exhibits identified below but contained in Chapters 2 through 6 and the Program and Financing (P&F) Schedule requirements identified in Chapter 1. The ODASD(CN,CP&GT) is also responsible for providing data to update the Comptroller Information System (CIS) and the Future Years Defense Plan (FYDP) automated systems for the Drug Interdiction and Counter-drug Activities appropriation, as identified in Chapter 1. The ODASD(CN,CP&GT) should check all of the chapters of this regulation for exhibit requirements, especially **Chapter 19** – Special Analyses. (See Volume 2A for Chapters 1-3 and Volume 2B for Chapters 4-6 and 19).

B. The DoD counternarcotics program will be financed in a central transfer account (CTA). However, the OSD program and budget review submission will reflect the actual or planned distribution of counternarcotics funds by appropriation. The following exhibits are required for the OSD program and budget review submission.

### Drug Interdiction and Counter-drug Activities Unique Exhibits

- PB-57 Summary of Drug Interdiction and Counter-drug Activities (Chapter 14)
- PB-44 Drug Interdiction and Counter-drug Appropriation Summary (Chapter 14)
- PB-45 Drug Interdiction and Counter-drug Summary by Project Listing by Fiscal Year (Chapter 14)
- PB-47 Drug Interdiction and Counter-drug Detailed Project Description (Chapter 14)

Operation and Maintenance Exhibits

- OP-8 Civilian Personnel Costs (Chapter 3) (automated submission also required)
- OP-32 Summary of Price and Program Changes (Chapter 3) (automated submission also required)
- PB-15 Advisory and Assistance Services (Chapter 19)

Procurement Exhibits

- P-1 Procurement Programs (Chapter 4)

Research, Development, Test & Evaluation Exhibits

- R-1 RDT&E Programs (Chapter 5)

## 1403 CONGRESSIONAL JUSTIFICATION/PRESENTATION

## 140301. Purpose.

This section presents the exhibit requirements for submission to Congress.

## 140302. Submission Requirements

The Office of the Deputy Assistant Secretary of Defense (Counternarcotics, Counterproliferation, and Global Threats) is required to include the following exhibits in the justification book(s) to Congress. Copy requirements are identified in Chapter 1 (See Volume 2A, Chapter 1). Examples of budget exhibits can be found in Section 1404 or as identified below:

- PB-57 Summary of Drug Interdiction and Counter-drug Activities (Chapter 14)
- PB-44 Drug Interdiction and Counter-drug Appropriation Summary (Chapter 14)
- PB-45 Drug Interdiction and Counter-drug Summary by Project Listing by Fiscal Year (Chapter 14)
- PB-47 Drug Interdiction and Counter-drug Detailed Project Description (Chapter 14)
- OP-8 Civilian Personnel Costs (Chapter 3) (automated submission also required)
- OP-32 Summary of Price and Program Changes (Chapter 3) (automated submission also required)
- PB-15 Advisory and Assistance Services (Chapter 19)

P-1 Procurement Programs (Chapter 4)

R-1 RDT&E Programs (Chapter 5)

#### 1404 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES SUBMISSION FORMATS

##### 140401. Purpose.

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, adhere to these formats.

##### 140402. Unique Exhibits in Support of Drug Interdiction and Counter-Drug Activities

PB 57	Summary	7
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PB 45	Project Listing by Fiscal Year	10
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PB-57 Summary by Function

**CLASSIFICATION****FY (BY) Program and Budget Review Submission/President's Budget  
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE****I. Appropriation Act Language****II. Narrative Description (Statement of Requirements and Mission):****III. Description of Operations Financed/Rationale for the Budget Request:****IV. Financial Summary (\$ in Thousands):**

<b>A. ONDCP Drug Control <u>Function</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>
<b>B. DoD Counternarcotics Mission Area</b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>

PB-57 Summary by Function  
(Page 1 of 1)

PB-44 Appropriation Summary

**CLASSIFICATION**  
**FY (BY) Program and Budget Review Submission/President's Budget**  
**DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE**

**I. Description of Operations Financed:**

**Instructions:** Provide a summary of total counternarcotics activities and a paragraph for each DoD Counternarcotics Mission area. Mission areas may be changed if necessary to meet the requirements set forth by the Office of National Drug Control Policy (ONDCP). No change should be made, however, without prior approval of the Office of the USD(Comptroller).

**II. Performance Criteria and Evaluation:**

**Instructions:** Performance criteria should be established, and approval obtained from OUSD (Comptroller) prior to the program and budget review submission. If possible, performance criteria should relate measures of effectiveness established for the counter drug program.

**III. Financial Summary (\$ in Thousands):**

<b>A. <u>Subactivity</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u> <u>Estimate</u></b>	<b><u>FY BY</u> <u>Estimate</u></b>	<b><u>FY CY/ FY BY</u> <u>Change</u></b>
Total				

**Instructions:** Display funding in total. For FY PY, show the amounts actually obligated and/or the amounts still available for obligation.

**B. Reconciliation of Increases and Decreases:**

**Instructions:** Prepare this section in accordance with the instructions for OP-5 Attachment 1 (See Volume 2A, Chapter 3 of the Financial Management Regulation). Provide a narrative description of the increases and decreases to justify the program fully.

PB-44 Appropriation Summary  
(Page 1 of 2)

PB-44 Appropriation Summary (Continued)

**CLASSIFICATION**  
**FY (BY) Program and Budget Review Submission/President's Budget**  
**DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE**

**IV. Personnel Summary:**

	<u>FY PY</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY</u> <u>Estimate</u>	<u>FY CY/ FY BY</u> <u>Change</u>			
Civilian FTE							
<b>V. <u>Summary of Funding By Appropriation:</u></b>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>	<u>FY BY+2</u>	<u>FY BY+3</u>	<u>FY BY+4</u>
Appropriation							
O&M							
Procurement							
RDT&E							
MILPERS							
Total							

PB 44 Appropriation Summary  
(Page 2 of 2)

PB-45 Project Listing by Fiscal Year

**CLASSIFICATION**  
**FY (BY) Program and Budget Review Submission/President's Budget**  
**DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE**

**Fiscal Year XXXX**

(\$ in Thousands)

<u>Project Number</u>	<u>MIP</u>	<u>Service/Agency</u>	<u>Project Title</u>	<u>MILPERS</u>	<u>O&amp;M</u>	<u>PROCUREMENT</u>	<u>RD&amp;E</u>	<u>TOTAL</u>
Project XXXX								
Total								

**Instructions:** Complete exhibit for each fiscal year (Prior Year, Current Year, and Budget Year).  
Separately list all counterdrug projects.

PB-45 Project Listing by Fiscal Year  
(Page 1 of 1)

**CLASSIFICATION**

PB-47 Detailed Project Description

**CLASSIFICATION****FY (BY) Program and Budget Review Submission/President's Budget  
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE****PROJECT CODE:** (Central Transfer Account code number)**MIP:** (Yes/No)**PROJECT TITLE:****FUNCTION:** (ONDCP Function Category/number & title)**COMPONENT/AGENCY:****A. (U) REQUIREMENT.****B. (U) PROGRAM DESCRIPTION.****C. (U) MANAGEMENT.****D. (U) MILESTONES.****E. (U) PRIOR ACCOMPLISHMENTS.****F. (U) PLANNED ACTIVITIES.****G. (U) RESOURCE SUMMARY.** (\$ in Thousands)**Appropriation****FY PY****FY CY  
Estimate****FY BY  
Estimate**

(List each appropriation separately and provide a total for all appropriations.)

PB-47 Detailed Project Description  
(Page 1 of 1)**CLASSIFICATION**

14-11



**VOLUME 2B, CHAPTER 15: “OVERSEAS COST REPORT”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting, deleted biennial budget requirements, and room location changes	Update
150302D	Added submission footnote requirement for “Other” category in OP-53, Overseas Cost Report	Addition
*150402	Added Overseas Funding Country and Appropriation Summary	Addition

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**CHAPTER 15****OVERSEAS COST REPORT****1501 GENERAL****150101. Purpose**

A. This chapter provides instructions applicable to congressional justification material for the Overseas Cost Report which consists of the OP-53 Exhibit (Overseas Funding).

B. The following appropriations and accounts are covered in the scope of the subsections of the Overseas Cost Report:

1. Military Personnel appropriations (including Reserves and National Guard)
2. Operation and Maintenance appropriations
3. Family Housing Construction and Family Housing Operations appropriations
4. Military Construction appropriations

**150102. Submission Requirements**

Chapter 1 provides the general guidance about submission requirements for justification material. Chapter 15 covers specific material requirements for the Overseas Cost Report (See Volume 2A, Chapter 1 of this regulation).

**150103. Preparation of Material**

Chapter 1 stipulates the general guidance concerning format and preparation of material. Chapter 15 provides additional specific guidance with regard to the material required for the Overseas Cost Report (See Volume 2A, Chapter 1 of this regulation).

**150104. References**

Chapter 1 provides general funding policies, Chapter 2 provides specific policies related to Military Personnel appropriations, Chapter 3 provides specific policies related to Operation and Maintenance costs, and Chapter 6 provides specific policies and formats related to Military Construction and Family Housing appropriations. (See Volume 2A, Chapter 1 – 3 and Volume 2B, Chapter 6)

**1502 PROGRAM AND BUDGET REVIEW SUBMISSION****150201. General**

General guidance with regard to submission requirements is presented in Chapter 1. Service components and Defense Agencies will submit the OP-53, Overseas Cost Report for the OSD Program/Budget Estimates Submission.

**1503 CONGRESSIONAL JUSTIFICATION/PRESENTATION****150301. Purpose**

This Section presents the exhibit requirement for submission to Congress and formats for the Overseas Cost report. Section 8125 of the FY 1989 DoD Appropriations Act (P.L. 100-463) as codified in Title 10 United States Code (U.S.C.), section 113, requires that the Department of Defense separately identify the amounts necessary for payment of all personnel, operations, maintenance, facilities, and support costs for all DoD overseas military units and the costs of supporting all dependents who accompany DoD personnel outside the United States.

**150302. Submission Requirements**

A. The Overseas Cost Report consists of the OP-53 exhibit (Overseas Funding). Chapter 1 contains general guidance on congressional justification material.

B. The OP-53 addresses all funding and personnel resources related to overseas activities as defined below.

C. Provide these exhibits to OUSD (Comptroller) P/B, Operations Directorate, Room 3C749, the Pentagon.

\* D. The Military Departments will report all military personnel permanently assigned overseas and associated costs to include those assigned to Defense Agencies. Therefore, the Defense Agencies should not report data citing military personnel appropriations or line items. Input must be identified to countries that have a total cost in excess of \$5.0 million per year; all other countries will be grouped in “Other”. [Identify countries included in the “Other” category in a footnote to the OP-53.](#)

**150303. Definitions**

The following definitions pertain to the costs to be included in Military Department and Defense Agency input:

A. Overseas costs will include amounts only from the following appropriations: military personnel; operation and maintenance; family housing operation and maintenance; family housing construction; and military construction.

B. Overseas amounts include the appropriated support of all DoD activities located outside the United States that are being performed on a permanent basis at U.S. military bases and other locations (U.S. Embassy, U.S. Consulates, U.S. Mission, etc).

C. Overseas amounts also include the cost of transporting personnel, material, and equipment to and from permanent overseas locations. The overseas amounts do not include incremental costs associated with contingency operations.

D. The United States includes all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States (e.g., Guam, U.S. Virgin Islands, Puerto Rico, and Northern Mariana Islands).

E. Military and civilian personnel amounts will be based on the number of personnel assigned to permanent duty ashore outside the United States. Accordingly, personnel on temporary duty outside the United States are not included in the overseas amounts. Because personnel assigned to the deployed fleet are excluded from overseas troop strengths, amounts for deployed steaming days are not included.

F. Generally, funding for DoD activities in the United States in support of overseas activities is excluded. For example, overseas amounts exclude the funding of depot maintenance performed in the United States on components/aircraft used by an overseas unit. Similarly, flight/specialized training that is conducted in the United States would be excluded.

#### 1504 OVERSEAS COST REPORT SUBMISSION FORMATS

##### 150401. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

##### **\*150402. Exhibits in Support of Overseas Cost Report**

##### **OP-53 Overseas Funding**

Exhibit OP-53 Overseas Funding

Department of the \_\_\_\_\_

**Overseas Funding****Summary**(\$ in Millions) <sup>1/2/</sup>

<b><u>Appropriation:</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>
Military Personnel (By Appn)	xxx.x	xxx.x	xxx.x
Operation & Maintenance (By Appn)	xxx.x	xxx.x	xxx.x
Family Housing, Operations	xxx.x	xxx.x	xxx.x
Family Housing, Construction	xxx.x	xxx.x	xxx.x
Military Construction	xxx.x	xxx.x	xxx.x
Total	xxx.x	xxx.x	xxx.x

**Description of Operations Financed:** For each appropriation, provide an explanation of the operations/activities financed with the funding identified and include an identification of major organizations and installations.

**Narrative Explanation of Changes:** For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the current year estimate (CY) and the budget year (BY).

**Summarize Requirements For Each Country and in Total:**

(List countries with costs in excess of \$5.0 million in any FY. Summarize countries with total costs less than \$5.0 million in "Other".)

xxxxx

xxxxx

Other

Total

\_\_\_\_\_  
xxx.x\_\_\_\_\_  
xxx.x\_\_\_\_\_  
xxx.x\_\_\_\_\_  
xxx.x

Exhibit OP-53 Overseas Funding (Continued)

Department of the \_\_\_\_\_

**Overseas Funding****Summary (Cont'd)**

	<u><b>FY PY</b></u>	<u><b>FY CY</b></u>	<u><b>FY BY</b></u>
<b><u>END STRENGTH SUMMARY:</u></b>			
Military			
Officer			
Enlisted	_____	_____	_____
Total			
<u>Civilian</u>			
USDH			
FNDH			
FNIH	_____	_____	_____
Total			

- 1/ Funding data must be rounded to nearest tenth of a million. Because data from the "by country section" of this exhibit is consolidated, the totals included on the summary exhibit must equal the total of individual country exhibits when added together in tenth of millions.
- 2/ All OP-53 appropriation exhibits should be grouped together in the submission.

Exhibit OP-53 Overseas Funding Military Personnel Overseas Funding

Department of the \_\_\_\_\_

## Overseas Funding - Country by Category (Continued)

## Military Personnel Overseas Funding

Appropriation: \_\_\_\_\_

		(\$ in Millions) <sup>1/</sup>
Country: _____ <sup>2/</sup>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b> <b><u>FY BY</u></b>

**Funding Category:**

Pay and Allowances, Officers

Pay and Allowances, Enlisted

Permanent Change of Station

Total

**End Strength:**

Officer

Enlisted

Total

**Description of Operations Financed:** For each appropriation, provide an explanation of the operations/activities financed with the funding identified. The description should include an identification of major organizations and installations.

**Narrative Explanation of Changes:** For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

<sup>1/</sup> For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

<sup>2/</sup> Provide funding and strength data by country by categories shown. For the Active components, funding categories equate to budget activities. For the Guard and Reserve Components, the above funding break should also be used to categorize military personnel costs. List countries with costs in excess of \$5.0 million in any FY. Summarize countries with total costs less than \$5.0 million in "Other". Excludes funding and end strength for personnel in country in a temporary duty or field duty status.



Exhibit OP-53 Overseas Funding Country and Appropriation Summary

Department of the \_\_\_\_\_

**Overseas Funding (Continued)**  
**Country and Appropriation Summary**

FY XXXX	(\$ in Millions)					
	Military Personnel	Operation & Maintenance	Family Housing, Operations	Family Housing, Construction	Military Construction	Country Total
<b><u>Country:</u></b>						
A	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
B	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
C	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x

**Appropriation**

<b>Total</b>	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x	xxx.x
--------------	-------	-------	-------	-------	-------	-------

Prepare a Country and Appropriation Summary for each fiscal year (prior, current, and budget).

For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

Exhibit OP-53 Overseas Funding Operation and Maintenance Overseas

Department of the \_\_\_\_\_

**Overseas Funding - Country by Category (Continued)****Operation and Maintenance Overseas Funding**

Appropriation: \_\_\_\_\_

Country: _____ <sup>2/</sup>	<u>PFY</u>	(\$ in Millions) <sup>1/</sup>	<u>CFY</u>	<u>BFY</u>
------------------------------	------------	--------------------------------	------------	------------

**Funding Category:**

U.S. Military Installation

U.S. Embassy / U.S. Consulate / U.S. Mission

Total

**Civilian Full-Time Equivalents:**

USDH

FNDH

FNIH

Total

**Description of Operations Financed:** For each appropriation, provide an explanation of the operations/activities financed with the funding identified. The description should include an identification of major organizations and installations.

**Narrative Explanation of Changes:** For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

<sup>1/</sup> For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

<sup>2/</sup> Provide funding and strength data by country by categories shown above. Funding categories equate to stationing location. List countries with costs in excess of \$5.0 million in any FY. Summarize countries with total costs less than \$5.0 million in "Other".

Exhibit OP-53 Overseas Funding Civilian and Military Personnel Overseas Staffing and Costs at U.S. Embassy/ U.S. Consulates / U.S. Missions (only)

Department of the \_\_\_\_\_

**Overseas Funding - Country by Category (Continued)**

**Civilian and Military Personnel Overseas Staffing and Costs at  
U.S. Embassy/ U.S. Consulates / U.S. Missions (only)**

**Appropriation:** \_\_\_\_\_

		(\$ in Millions) <sup>1/</sup>		
<b>Country:</b> _____ <sup>2/</sup>		<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>
<u>Direct Personnel Costs (DPC) <sup>3/</sup></u>				
1. American Salaries		-	-	-
2. Benefits		-	-	-
3. Overtime/Availability Pay		-	-	-
4. Danger Pay		-	-	-
5. Language Incentive Pay		-	-	-
6. Post (Cost of Living) Allowance		-	-	-
7. Difficult to Staff Incentive Differential		-	-	-
8. Post (Hardship) Differential		-	-	-
9. Separate Maintenance Allowance (SMA)		-	-	-
10. Special Differential		-	-	-
<u>Military Personnel Costs</u>				
11. Pay and Allowance		-	-	-
<u>Other Personnel Costs</u>				
12. Housing		-	-	-
13. Residential Furnishings/Equipment (DPC only)		-	-	-
14. Education Allowance (DPC only)		-	-	-
15. Educational Travel (DPC only)		-	-	-
16. Post Assignment Travel (PCS costs)		-	-	-
17. Rest and Recuperation (R&R Travel)		-	-	-
18. Home Leave Travel		-	-	-
Subtotal, Other Personnel Costs		-	-	-
<u>Support Costs</u>				
19. Office Furnishings/Equipment (including classified networks)	-	-	-	-
20. Office Leases	-	-	-	-
21. Misc. Office Expenses (utilities, maintenance)	-	-	-	-
22. ICASS Charges	-	-	-	-
23. Field Travel	-	-	-	-
24. Representation	-	-	-	-
25. Security (e.g. local guards, alarms, etc.)	-	-	-	-
26. Other (list what is included)	-	-	-	-
Subtotal, Support Costs	-	-	-	-
TOTAL, Overseas US Personnel Costs	-	-	-	-

**Exhibit OP-53 Overseas Funding**

(Page 6 of 10)

Exhibit OP-53 Overseas Funding Civilian and Military Personnel Overseas Staffing and Costs at U.S. Embassy/ U.S. Consulates / U.S. Missions  
(only) (Continued)

Department of the \_\_\_\_\_

**Overseas Funding - Country by Category (Continued)**

**Civilian and Military Personnel Overseas Staffing and Costs at  
U.S. Embassy/ U.S. Consulates / U.S. Missions (only)**

**Appropriation:** \_\_\_\_\_

Country: _____	(\$ in Millions)		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
<u>U.S. Hires (Staffing #'s)</u>			
Full-time Permanent U.S. Direct Hire Civilians	-	-	-
U.S. Contracted Personal Services Contractors (PSCs)	-	-	-
<u>Locally Engaged Staff (Staffing #'s)</u>			
Foreign Service National (FSN)	-	-	-
Local PSCs or Personal Service Agreements (PSAs)	-	-	-
Third Country Nationals (TCNs)	-	-	-
Locally Hired Americans, including eligible family members	-	-	-
TDY – long-term / rolling TDY employees	-	-	-
TOTAL Staffing Overseas	-	-	-

1/ For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

2/ Provide funding and strength data for all countries by categories shown above.

3/ See “**Definitions: Overseas Personnel and Related Costs Categories**” at end of chapter.

Exhibit OP-53 Overseas Funding Family Housing, Operation and Maintenance

Department of the \_\_\_\_\_

## Overseas Funding - Country by Category (Continued)

## Family Housing, Operation and Maintenance

Appropriation: \_\_\_\_\_

	(\$ in Millions) <sup>1/</sup>		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
<b><u>Funding Category:</u></b>			
<b><u>Summarize Requirements For Each Country:</u> <sup>2/</sup></b>			
XXXXX			
XXXXX			
Other			
Total	_____ xxx.x	_____ xxx.x	_____ xxx.x

**Civilian Full-Time Equivalents:**

USDH

FNDH

FNIH

Total

**Narrative Explanation of Changes:** For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

<sup>1/</sup> For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

<sup>2/</sup> Provide funding and strength data as shown above. The Navy and Marine Corps resources for Family Housing operations should be treated as one appropriation. List countries with costs in excess of \$5.0 million in any FY. Summarize countries with total costs less than \$5.0 million in "Other").

Exhibit OP-53 Overseas Funding

(Page 8 of 10)

Exhibit OP-53 Overseas Funding Family Housing, Family Housing, Construction

Department of the \_\_\_\_\_

## Overseas Funding - Country by Category (Continued)

## Family Housing, Construction

Appropriation: \_\_\_\_\_

(\$ in Millions)<sup>1/</sup>FY PYFY CYFY BYFunding Category:<sup>2/</sup>Summarize Requirements For Each Country:

XXXXX

XXXXX

Other

Total

\_\_\_\_\_  
xxx.x\_\_\_\_\_  
xxx.x\_\_\_\_\_  
xxx.xCivilian Full-Time Equivalents:

USDH

FNDH

FNIH

Total

**Narrative Explanation of Changes:** For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

<sup>1/</sup> For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

<sup>2/</sup> Provide funding and strength data as shown above. The Navy and Marine Corps resources for Family Housing operations should be treated as one appropriation. List countries with costs in excess of \$5.0 million in any FY. Summarize countries with total costs less than \$5.0 million in "Other". **Data on this exhibit must match the Family Housing, Construction data on the Military Construction budget exhibit (C-1) submitted in support of the President's budget.**

Exhibit OP-53 Overseas Funding Military Construction

Department of the \_\_\_\_\_

## Overseas Funding - Country by Category (Continued)

## Military Construction

Appropriation: \_\_\_\_\_

		(\$ in Millions) <sup>1/</sup>	
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>
<b><u>Funding Category:</u></b> <sup>2/</sup>			
<b><u>Summarize Requirements For Each Country:</u></b>			
XXXXX			
XXXXX			
Other			
Total	_____ xxx.x	_____ xxx.x	_____ xxx.x

**Civilian Full-Time Equivalents:**

USDH

FNDH

FNIH

Total

**Narrative Explanation of Changes:** For each appropriation, identify significant changes in programs to include functional transfers and force level changes between the CY and the BY.

<sup>1/</sup> For funding data, round data to nearest tenth of a million; rounded data must add to the rounded total.

<sup>2/</sup> Provide funding and strength data by country by categories shown above. List countries with costs in excess of \$5.0 million in any FY. Summarize countries with total costs less than \$5.0 million in "Other". **Data on this exhibit must match the Family Housing, Construction data on the Military Construction budget exhibit (C-1) submitted in support of the President's budget.**

**Definitions: Overseas Personnel and Related Costs Categories**

## U.S. Personnel

CategoriesDescription

1. American Salaries: Includes salary costs for full-time U.S. direct hires overseas.
2. Benefits: Includes standard benefits costs for full-time U.S. direct hires overseas, such as retirement contributions, health insurance, life insurance, and FICA payments.
3. Overtime/Availability Pay: Includes costs for overtime pay and Law Enforcement availability pay for U.S. direct hires overseas.
4. Danger Pay: Includes costs for Danger Pay Allowance, calculated as a percentage of basic compensation (15, 20 or 25%) paid for imminently dangerous conditions when the official U.S. community is the target of political violence.
5. Language Incentive Pay: Includes costs of language incentive pay to U.S. direct hires overseas.
6. Post (Cost of Living) Allowance: Includes costs for Cost of Living Adjustments (COLA) for U.S. direct hires overseas.
7. Difficult to Staff Incentive Differential (DTSID): Includes costs for the DTSID allowance, which is calculated as a percentage of basic compensation (15%) for serving at a determined difficult to staff post which has a 15%, 20% or 25% Post ("Hardship") Differential.
8. Post ("Hardship") Differential: Includes costs for post differential allowance, which is calculated as a percentage of basic compensation (5, 10, 15, 20 and 25%) for environmental conditions significantly worse than the U.S. In addition to being paid to permanently assigned personnel.
9. Separate Maintenance Allowance (SMA): Includes cost for involuntary and voluntary SMA, which is paid when family members are prohibited from residing at a foreign post or when family members may go to a foreign post but opt not to for personal reasons.
10. Special Differential: Special differentials are available to Foreign Service officers who are required because of the nature of their assignments to perform additional work on a regular basis in substantial excess of normal requirements (22 USC Sec.3972).
11. Pay and Allowance: Includes MILPERS costs for military personnel assigned overseas at a U.S. Embassy, U.S. Consulate or U.S. Mission.
12. Housing: Includes costs for overseas housing for U.S. direct hires, including rents, leases, housing pool costs, and/or allowances provided for private leased quarters in lieu of Government provided housing.
13. Residential furnishings/Equipment (DPC only): Includes costs of residential furnishings, equipment, and appliances.
14. Education Allowance (DPC only): Includes costs for the education expenses for U.S. direct hire dependents (K-12) overseas.
15. Educational Travel (DPC only): Includes costs for one round trip annually between school attended in the U.S. and the foreign post of assignment.
16. PCS Travel (employee & family moving expenses): Includes costs associated with permanent change of station travel of employees and eligible family members, shipment of household effects and privately-owned vehicles, and placement of household effects into storage.
17. Rest and Recuperation (R&R) Travel: Includes the costs of R&R travel provided for U.S. direct hires overseas.
18. Home Leave Travel: Includes costs of travel for U.S. Direct Hires overseas to provide overseas employees the opportunity to spend significant periods of time in the United States while pursuing careers overseas.
19. Office Furnishings/Equipment/Information Management: Includes agency costs for the purchase and maintenance of office furnishings and equipment, such as computers, phones, computer networks, copiers, and communications equipment, including classified networks.
20. Office Leases: Includes the costs of all leased office space (off embassy/consulate compound) overseas.
21. Miscellaneous Office Expenses: Includes non-programmatic miscellaneous office expenses, such as utilities and supplies.
22. ICASS Charges: Includes costs of participation in International Cooperative Administrative Support Services (ICASS).



**Definitions: Overseas Personnel and Related Costs Categories (Continued)**

- 23. Field Travel: Includes costs of all field travel conducted by U.S. direct hires overseas.
- 24. Representation: Includes costs for representation overseas in furthering the interests of the United States.
- 25. Security: Includes the costs of guards, alarms, cameras, etc. NOT covered under ICASS.
- 26. Other: Includes costs not captured above, such as language and other training, vehicles, agency specific benefits or allowances not included above, medical costs (physicals), etc. Please identify the items calculated as part of this category.

StaffingDescription

- Full-time Permanent U.S. Direct Hires: Full-time, permanent U.S. direct hire personnel
- US Military Personnel: U.S. military personnel (services members)
- US-contracted PSCs: Personal services contractors (PSCs) hired from the United States and stationed overseas, eligible for similar support benefits (i.e., travel, housing, etc.) as U.S. direct hires.
- Foreign Service National (FSN): An FSN employee is a non-U.S. citizen directly hired by a U.S. mission
- Local Personal Services Contractors (PSCs) or Personal Services Agreement (PSAs): Individuals contracted locally to perform an identifiable task under the supervision and control usual to government employees rather than to furnish an end item of supply (U.S. citizen hired locally as a PSC should be accounted for under category no. 31).
- Third Country Nationals (TCNs): Individuals who are neither citizens of the United States nor of the country in which employed, who are employed on a limited appointment or personal services contract, and who are eligible for return travel at U.S. Government expenses to their home country or country from which recruited.
- Locally Hired Americans, including Eligible Family Members: U.S. citizens (AMCITs) hired locally as temporary employees or PSC personnel.
- Long-term / rolling TDY positions: (A TDY position is defined as any position requiring workspace (desk or non-desk) for more than six months in a year or positions routinely filled by TDY personnel on a rotating basis, even though no individual ever stays for more than six months).

**VOLUME 2B, CHAPTER 16: “INTELLIGENCE PROGRAMS/ACTIVITIES”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated July 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	This chapter is certified as current.	Current

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## CHAPTER 16

INTELLIGENCE PROGRAMS/ACTIVITIES

## 1601 GENERAL

## 160101. Purpose

A. This chapter provides instructions applicable to budget formulation, implementation, and congressional justification for Intelligence Program Aggregation.

B. The following Program Aggregations are covered in this chapter:

1. - National Intelligence Program (NIP) – Defense elements
2. - Military Intelligence Program (MIP)

## 160102. Definitions and Classification

General guidance with regard to classification of budget material is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 16 provides additional specific guidance with regard to the material required for the Intelligence Program Aggregation.

A. National Intelligence Program (NIP)

The NIP provides integrated intelligence that covers broad aspects of national policy and national security. The portion of the NIP contained in the Department of Defense (DoD) Budget contributes substantially to meeting Defense intelligence requirements, but also contains programs/activities in support of elements of the United State Government outside the DoD.

B. NIP Classification

1. Classification of US Intelligence budget information is determined by the Director of National Intelligence (DNI) pursuant to Executive Order 12958, Section 1.5(c), Executive Order 12333, Section 1.5(g), and the DNI's authorities under the National Security Act of 1947.

2. NIP Budget Resource Information in all DoD databases shall be classified as shown below unless other specific NIP program guidance in effect requires higher classification.

a. Information which, standing alone or in aggregate, reveals any Program Element total of the funding or manpower requirements of any program in the NIP will be classified SECRET.

b. Information that permits the disclosure of any Program Element total or the funding or manpower requirements of any program in the NIP, for example, through a subtractive process, will be classified SECRET.

c. Information which, standing alone or in aggregate, reveals overall DoD Component funding or manpower levels of the NIP or its programs will be classified SECRET.

d. However, as an exception to this guidance, NIP budget information for military construction and family housing for defense agencies shall be maintained and presented as unclassified.

e. Whenever NIP funding and manpower resource detail is combined with other unclassified programs in such a way as to effectively mask the NIP resource Program Element total, such combined resource Program Element total may be treated as unclassified.

f. Requests for clarification of the foregoing classification guidance should be forwarded to OUSD (I). Questions of application will be coordinated with the Office of the Director of National Intelligence and responses will be disseminated to all interested DoD components.

C. Military Intelligence Program (MIP)

The term “Military Intelligence Program” refers to programs, projects, or activities that support the Secretary of Defense’s intelligence and counterintelligence, and related responsibilities as outlined in DoD Directive 5205.12. The term excludes capabilities, programs, projects, and activities in the NIP.

D. MIP Classification

1. Military Intelligence Program Information

a. Total DoD funding for MIP is SECRET.

b. Individual Program Elements and line items may be classified or unclassified according to content, unless disclosure of such a total would allow derivation of classified totals.

c. Although many MIP projects are unclassified, totals for DoD MIP are classified SECRET. Since intelligence project resource data will be sorted and used in a number of different ways, it is essential that OUSD (I) has current and specific security classification guidance in order to avoid inadvertent, unauthorized disclosure of classified information. Services and Agencies reporting MIP resource data are directed to provide the security classification guidance for each project along with a citation of the source of classification. In addition, include any other security classification guidance unique to the

organization that may be pertinent. Some examples might include the classification of information revealing the name of the organization with the resource, or classification of the information revealing the location with the name of the organization, etc. Normally, the project or program security classification guidance is included in a formal security classification guide approved by an original classification authority in accordance with DoD Regulation 5200.1, Information Security Program. (If you are uncertain about where to obtain the security classification guidance for your project, see your servicing security office for assistance).

## 1602 SUBMISSION

### 160201. NIP Submission Requirements

A. NIP (Special Program Codes (SPC) 329, 330, 331, 333, 334, 335, and 336) Congressional Budget Justification Books (CBJB) justification books will be prepared and provided in accordance with separate guidance provided by the Office of the Director of National Intelligence (ODNI). Any Decision Documents affecting elements of the NIP must be coordinated with the ODNI, OUSD(C) and OUSD (I). The OUSD (C)'s Investment Directorate will ensure that the DNI Chief Financial Officer has an opportunity to review and provide comments on such documents.

B. The Components will follow the National Intelligence (NIP) Military Personnel Resources Programming and Budgeting Policies and Procedures when developing NIP military personnel cost estimates for the budget submission.

C. One hardcopy and CD disk of NIP program and budget materials prescribed by the DNI will be delivered by the ODNI to Under Secretary of Defense (Comptroller) (Program/Budget), Investment Directorate, Room 3C749, Pentagon, at the same time they are delivered to the Office of Management and Budget (OMB).

### 160202. MIP Submission Requirements

A. In accordance with DoD FMR Vol 2A and 2B, Chapters 3, 4 and 5 each Military Department and Defense Agency with MIP (SPC 365) resources will prepare all DoD justification materials (i.e., R-2, P-40, O-5, etc.) for each appropriation, to include DIA, NGA, and NSA. OSD classified exhibits (SECRET) will be combined as a classified Defense-wide volume. Classified justification materials (R-2, P-40, O-5, etc.) materials will contain sufficient detail needed to fully justify the classified portion of the request, without the use of supplemental justification materials. All other Army, Navy, Marine Corps, Air Force, National Reconnaissance Office (NRO), and Defense-Wide classified exhibits will be reviewed by OUSD (C) prior to releasing to OMB.

B. Submit three hardcopies of your classified R-2 or P-40 directly to OUSD(C), Investment Directorate, Pentagon, Room 3C749, at the same time as the unclassified details.

C. Complementary MIP Congressional Justification Books (CJB) guidance will be provided by the Office of the Under Secretary of Defense (Intelligence) (OUSD (I)). The CJB is a functional aggregation of the MIP portion of the DoD request, containing program justification and resource highlights that must be consistent with and directly auditable to all DoD justification materials (i.e., R-2, P-40, O-5, etc.) and any other DoD justification books that address the same resources.

D. OUSD(I) will deliver three final MIP copies of all volumes and one compact disk (CD) directly to OUSD (C), Investment Directorate, Pentagon, Room 3C749.

#### 160203. Crosswalk Requirements

The MIP and NIP justification books will continue to incorporate an IC project to program element (Research, Development, Test, and Evaluation (RDT&E)), line item (Procurement (PROC)), or Subactivity Group (SAG) (Operation and Maintenance (O&M)) crosswalk exhibit at the R-1, P-1, and O-1 respectively. This is necessary to help satisfy continuous congressional budget reconciliation and visibility requirements.

### 1603 BUDGET RECONCILIATION DATA

Congressional Oversight Committees have requested the Under Secretary of Defense (Comptroller) and Director, Cost Assessment and Program Evaluation Office (CAPE), in consultation with the Under Secretary of Defense for Intelligence, to create and maintain whole, distinct program elements [RDT&E PEs, PROC line items, O&M SAGs] within each component of the Intelligence Community (IC) to address IC resources and manpower. Services and Agencies must continue to show steady, measureable progress toward achieving these fully-captured MIP data elements for all appropriations.

#### 160301. NIP

The NIP lines will maintain whole [pure] NIP budget line resources identified by SPCs 329, 330, 331, 333, 334, 335, and 336.

#### 160302. MIP

The MIP lines will maintain whole [pure] MIP budget line resources identified by SPC 365.

### 1604 APPEAL PROCESS ON CONGRESSIONAL ACTIONS

#### 160401. Purpose

This Section provides specific guidance for preparation of classified appeals to congressional committees on intelligence programs.

## 160402. Classified Appeals.

A. Oversight. The House Permanent Select Committee on Intelligence (HPSCI), the Senate Select Committee on Intelligence (SSCI), the House Appropriations Committee (HAC), and the Senate Appropriations Committee (SAC) have oversight jurisdiction over the NIP. The NIP appeals will be delivered to the HPSCI, SSCI, HAC, and the SAC. Appeals affecting the MIP will be delivered to the House Armed Services Committee (HASC), Senate Armed Services Committee (SASC), HAC, and SAC.

B. Classified appeals may supplement actions included in the overall Defense Appeal where security considerations have dictated a less than complete justification. Classified appeals will be prepared at the appropriate level of classification necessary to fully explain and justify the action.

1. The DNI will prepare and submit, in consultation with the OUSD(C) and OUSD(I), separate classified appeals for the NIP to the congressional committees with intelligence oversight. The appeals format and content will be determined by the DNI.

2. The OUSD(I), in consultation with the OUSD(C) and the DNI/Chief Financial Officer, will prepare classified appeals for the MIP to the congressional committees with intelligence oversight. Unclassified MIP appeals will follow normal procedures per additional guidance.

C. Classified Appeals will be completely consistent with the Secretary of Defense's policy direction as articulated by the USD(Comptroller) and, in the case of appeals to legislative provisions, also as articulated by the Office or the General Counsel and the Deputy Secretary of Defense. All such appeals will be coordinated with the Comptroller and OMB prior to release.



**VOLUME 2B, CHAPTER 17: “CONTINGENCY OPERATIONS”****SUMMARY OF MAJOR CHANGES TO**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue, and underlined font***.

The previous version dated June 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting	Refresh
170101.C 170202.A	Update room location changes	Update

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## CHAPTER 17

CONTINGENCY OPERATIONS

## 1701 GENERAL

## 170101. Purpose

This chapter provides instructions applicable to budget formulation and congressional justification for contingency operations. The information provided for contingency operations, as reflected in this chapter, meets the requirements of section 8110 of Public Law 106-79, the Department of Defense (DoD) Appropriations Act, 2000. It requires the Department to include the same type of budget justification material for contingency operations as is provided for other DoD activities.

## 170102. Submission Requirements

A. This chapter addresses the requirement to budget for new and ongoing contingency operations costs. This information will be used to justify resource requirements for directed contingency operations – specifically the justification of the incremental costs for supporting a designated operation. These incremental costs will become the basis for any funding requests forwarded to the Congress through the normal appropriations process or through emergency supplemental appropriation requests during the year of execution, if warranted. A more detailed discussion of Contingency Operations, as well as the methodology to be used to determine related “incremental costs,” is provided in Chapter 23, “Contingency Operations,” (See Volume 12, Chapter 23).

B. In order to ensure that the funding being requested is defensible and realistic and that the submitted data and justification material complies with congressional requirements, each Component is required to submit the contingency operations budget exhibits using the formats included in section 1703 of this chapter. These exhibits provide detailed cost estimates and must be completed for each contingency operation. In addition, using the same formats, each Component must submit a Summary Exhibit for each region (e.g., Bosnia, Kosovo,) and a Total Summary Exhibit that consolidates all of the Component’s incremental requirements for contingency operations. Each Component will include in its submission the incremental costs for contingency operations for all Military Intelligence Program (MIP) except for the incremental costs for National Foreign Intelligence Programs (NFIP). The Community Management Staff (CMS) will be responsible for preparing and submitting the required exhibits to report the incremental costs for contingency operations for all NFIP-related activities. (See section 1703, below)

\* C. The required exhibits are to be provided in both hard copy and electronic copy via diskette or e-mail (using Microsoft word for the OP-5 exhibits and Excel spreadsheets for the CONOPS-1 exhibits) to the Operations and Personnel Directorate, Pentagon, Room 3C710. Specific e-mail addresses can be obtained by calling (703) 697-2609 or 697-2598.

D. General guidance with regard to submission requirements is presented in Volume 2A, Chapter 1. Volume 2B, Chapter 17 covers specific backup material required for the overseas contingency operations. The Components should also consult all of the other chapters for exhibit requirements that are not specifically addressed in this chapter, including Volume 2B, Chapter 19, “Other Special Analyses.” (See Volume 2A and Volume 2B).

## 170103. Preparation of Material

General guidance with regard to format and preparation of material is presented in Volume 2A, Chapter 1. Section 1703 below provides the justification material formats.

## 170104. References

Volume 12, Chapter 23, “Contingency Operations,” of the DoD Financial Management Regulation (DoD 7000.14-R).

## 1702 PROGRAM AND BUDGET REVIEW SUBMISSION &amp; CONGRESSIONAL JUSTIFICATION/ PRESENTATION

## 170201. Purpose

This Section provides guidance for preparation and submission of budget estimates for Contingency Operations. The budget estimates will separately identify the incremental costs for operation and maintenance, military personnel, and other applicable (e. g., procurement) resources required to support specified contingency operations. For the President’s Budget request submitted to the Congress, all approved contingency operations incremental cost requirements will be reflected in the Overseas Contingency Operations Transfer Fund (OCOTF), and the level of detail provided must address the congressional concerns for adequate visibility and justification of requirements.

## 170202. Submission Requirements

\* A. Each applicable Component is responsible for submitting the Contingency Operations exhibits covering the operation and maintenance, military personnel, and other applicable (e. g., procurement) incremental costs for each specified contingency operation, a “Summary” exhibit for each region (e.g., Bosnia, Kosovo) and a “**Total Summary**” exhibit that consolidates all the Component’s incremental requirements for contingency operations. The formats for these exhibits are provided below at section 170302. Hard copy and electronic versions of each exhibit must be provided to Office of the Under Secretary of Defense (Comptroller) OUSD(C) Program/Budget (P/B) Operations and Personnel Directorate, Room 3C710 in the Pentagon. Electronic formats will be provided in Microsoft Word for the OP-5 exhibit and in Microsoft Excel for the Contingency Operations -1 (CONOPS-1) exhibit.

B. These exhibits will be prepared and submitted to OUSD(C) in accordance with the schedule defined in the annual budget guidance memorandum published by the OUSD(C) for the fall program and budget estimate submission (BES) and for the President’s Budget submission. Each exhibit will be prepared separately for the BES and the congressional justification/presentation process.

## 1703. CONTINGENCY OPERATIONS SUBMISSION FORMATS

## 170301. Purpose

The formats provided on the following pages reflect the guidance presented in sections 1701 and 1702 of this chapter. Unless modified by the OUSD (C) in a budget guidance memorandum, the formats must be followed. (See sections 1701 and 1702, above)

170302.      Unique Exhibit in Support of Contingency Operations

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Exhibit OP-5 Overseas Contingency Operations

**COMPONENT NAME****OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

**General Guidance:** A separate exhibit should be prepared for (1) each contingency operation, (2) a summary exhibit for each region, and (3) a total exhibit for each Component. Each Component will include in its submission the incremental costs for contingency operations for all intelligence-related activities (i.e., TIARA, JMIP, etc.) except for the incremental costs for National Foreign Intelligence Programs (NFIP). The Community Management Staff will be responsible for preparing and submitting the required exhibits to report the incremental costs for contingency operations for all NFIP-related activities.

**I. Description of Operations Financed:** Provide a narrative explanation characterizing the mission of this particular contingency operation and address the major cost drivers such as the number of base camps, the number of troop rotations, and the related troop strength supporting the contingency.

**II. Force Structure Summary:** Identify in tabular form by operation, the average monthly troop strength for active duty, Guard and Reserve Components deployed for this contingency operation for prior year (PY), current year (CY), and budget year(s) (BY).

**III. Financial Summary (\$ in Thousands):** Report incremental costs only. **Note:** Include only non-NFIP intelligence costs. The CMS is responsible for reporting incremental NFIP costs.

**A. Contingency Operation Total**

<u>Cost Category</u>	FY PY <u>Actuals</u> <sup>1/</sup>	Budget <u>Request</u>	<u>Fiscal Year(FY) CY Program</u>		FY BY1 <u>Estimate</u>	FY BY2 <u>Estimate</u>
			<u>Program</u> <u>Changes</u>	<u>Current</u> <u>Estimate</u> <sup>2/</sup>		
1. Personnel						
a. Military						
b. Civilians						
2. Personnel Support						
3. Operating Support						
4. Transportation						
Total						
Military Personnel						
Operation and Maintenance						
Other – Specify by appropriation (i.e., Procurement, RDT&E, etc.)						

Exhibit OP-5 Overseas Contingency Operations  
(Page 1 of 9)

Exhibit OP-5 Overseas Contingency Operation (Continued)

## COMPONENT NAME

**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

<sup>1/</sup> Should be consistent with amounts reported in the cost report. (For BES, include amounts expected to be reported for the yearend report.)

<sup>2/</sup> Include all costs, regardless of appropriation. For example, if military personnel costs are appropriated directly to the military personnel accounts rather than to the OCOTF include the amount expected to be required for contingency operations.

**B. PY Reconciliation Summary:****FY PY to FY PY Changes**

	<u>Military Personnel</u>	<u>Operation &amp; Maintenance</u>	<u>Other</u> (Specify as Appropriate)
1. Direct Appropriation to Component			
2. Amount Transferred from OCOTF			
3. Change			
4. Actual Cost			

**Note:** Actual cost data should reflect contingency operations data as reported to the Defense Finance and Accounting Service - Denver.

Exhibit OP-5 Overseas Contingency Operation (Continued)

## COMPONENT NAME

**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

**C. Reconciliation of Increases and Decreases:**

(\$ in Thousands)

- |   |                     |
|---|---------------------|
| <b>1. FY CY President's Budget</b>  | <b><u>X,XXX</u></b> |
| <b>2. Program Increases in FY CY</b>  | +X,XXX              |
| a) Describe each increase   | +XXX                |
| b) Describe each increase   | +XXX                |
| (List and narrate each change by relating changes in troop strength, Active/Reserve Component (AC/RC) mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.) |                     |
| <b>3. Program Decreases in FY CY</b>  | -X,XXX              |
| a) Describe each decrease   | -XXX                |
| b) Describe each decrease   | -XXX                |
| (List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)                            |                     |
| <b>4. Revised FY CY Estimate of Requirements</b>  | <b><u>X,XXX</u></b> |
| <b>5. Price Growth (Use factors included in the budget guidance unless deviation is warranted.)</b>   | +X,XXX              |



Exhibit OP-5 Overseas Contingency Operation (Continued)

**COMPONENT NAME****OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

- |  |      |                     |
|--|------|---------------------|
| 6. Program Increases   |      | +X,XXX              |
| a) Describe each increase  | +XXX |                     |
| b) Describe each increase  | +XXX |                     |
| (List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.) |      |                     |
| 7. Program Decreases   |      | -X,XXX              |
| a) Describe each decrease  | -XXX |                     |
| b) Describe each decrease  | -XXX |                     |
| (List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.) |      |                     |
| <b>8. FY BY1 Budget Request</b>  |      | <b><u>X,XXX</u></b> |
| 9. Price Growth  |      | +X,XXX              |

Exhibit OP-5 Overseas Contingency Operation (Continued)

**COMPONENT NAME**  
**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

**C. Reconciliation of Increases and Decreases (Continued):**

(\$ in Thousands)

10. Program Increases	+x,xxx
a) Describe each increase	+xxx
b) Describe each increase	+xxx
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)	
11. Program Decreases	-x,xxx
a) Describe each decrease	-xxx
b) Describe each decrease	-xxx
(List and narrate each change by relating changes in troop strength, AC/RC mix, density of weapon systems, operating tempo, use of contractor support, number of base camps, etc.)	
<b>12. FY BY2 Budget Request</b>	<b><u>x,xxx</u></b>

**Exhibit OP-5 Overseas Contingency Operations**

(Page 5 of 9)

Exhibit OP-5 Overseas Contingency Operation (Continued)

**COMPONENT NAME****OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

**IV. Performance Criteria and Evaluation Summary:**

<b><u>Troop Strength</u></b>	<b><u>Average Troop Strength</u></b>			
	<b><u>Total</u></b>	<b><u>Active Duty</u></b>	<b><u>National Guard</u></b>	<b><u>Reserve</u></b>
Planned FY PY				
Change Plan vs. Actual for FY PY				
Actual FY PY				
Planned FY CY				
Change Plan vs. Revised Estimate for FY CY				
Revised FY CY Estimate				
Change Revised FY CY Estimate to FY BY1				
FY BY1 Budget Request				
Change FY BY1 to FY BY2				
FY BY2 Budget Request				

Exhibit OP-5 Overseas Contingency Operation (Continued)

**COMPONENT NAME****OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation: DoD Component:

	<b><u>Number Constructed</u></b>	<b><u>Number Maintained</u></b>	<b><u>Average Population</u></b>	<b><u>Other Data</u></b> (Include other pertinent information)
<b><u>Base Camps:</u></b>				
Planned FY PY				
Actual FY PY				
Planned FY CY				
Planned FY BY1				
Planned FY BY2				

**MAJOR WEAPONS SYSTEMS DEPLOYED****Average Number  
Deployed/Month****Total Days  
in Theater****Operational  
Usage \*****Tracked Vehicles:**(list by type/model)

(Track Miles)

M1	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1
M2	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1
M113	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1

**Helicopters:** (list by type/model)

(Flying Hours))

OH-58D	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1
AH-64	Planned FY PY Actual FY PY Planned FY CY Planned FY BY1

**Exhibit OP-5 Overseas Contingency Operations**  
(Page 7 of 9)

Exhibit OP-5 Overseas Contingency Operation (Continued)

## COMPONENT NAME

OVERSEAS CONTINGENCY OPERATIONS

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation: DoD Component:

MAJOR WEAPONS SYSTEMS DEPLOYEDAverage Number  
Deployed/MonthTotal Days  
in TheaterOperational  
Usage \*Aircraft: (list by type/model)

(Flying Hours)

F-117

Planned FY PY  
Actual FY PY  
Planned FY CY  
Planned FY BY1  
Planned FY BY2

KC-135

Planned FY PY  
Actual FY PY  
Planned FY CY  
Planned FY BY1  
Planned FY BY2

EA-6B

Planned FY PY  
Actual FY PY  
Planned FY CY  
Planned FY BY1  
Planned FY BY2

(Steaming Hours)

Naval Vessels:

Combatants

Planned FY PY  
Actual FY PY  
Planned FY CY  
Planned FY BY1  
Planned FY CY2

Auxiliaries/Support Ships

Planned FY PY  
Actual FY PY  
Planned FY CY  
Planned FY BY1  
Planned FY CY2Other: (Specify by System)Planned FY PY  
Actual FY PY  
Planned FY CY  
Planned FY BY1  
Planned FY CY2

\* Select appropriate operational metrics currently in use. These are representative examples only.

Exhibit OP-5 Overseas Contingency Operation (Continued)

**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

**V. OP 32 Line Items as Applicable (Dollars in Thousands):**

<u>Change from FY PY to FY CY</u>				<u>Change from FY CY to FY BY1</u>				<u>Change from FY BY1 to FY BY2</u>							
Foreign				Foreign				Foreign							
FY PY	Currency	Price	Program	FY CY	Currency	Price	Program	FY BY1	Currency	Price	Program	FY BY2			
<u>Actuals</u>	<u>Rate</u>	<u>Diff</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Rate</u>	<u>Diff</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Rate</u>	<u>Diff</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
		(%)	(\$)			(%)	(\$)			(%)	(\$)			(%)	(\$)

1. List each applicable OP-32 line item number and title. **To be submitted for both the OSD and President's budget submissions.**
2. Include the percentage of price growth.

**Exhibit OP-5 Overseas Contingency Operations**  
(Page 9 of 9)

Exhibit CONOPS-1

**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

(Dollars in Thousands)

<b><u>COST CATEGORIES</u></b>	<b><u>FY PY</u></b>		<b><u>FY CY</u></b>		<b><u>FY BY1</u></b>		<b><u>FY BY2</u></b>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<b><u>PERSONNEL</u></b>							
Military Personnel Pay & Allowances							
Reserve Components Called to Active Duty							
Imminent Danger or Hostile Fire Pay							
Family Separation Allowance							
<i>Hardship Duty Pay - Location</i>							
Subsistence							
<i>Reserve Components Predeployment Training</i>							
Other Military Personnel							
Active Component Over-Strength							
<b>Subtotal</b>							
<b>Civilian Pay and Allowances</b>							
Civilian Premium Pay							
Civilian Temporary Hires							
Other Civilian Personnel							
Other Personnel Support							
<b>Subtotal</b>							

The CONOPS-1 exhibit is to be submitted in both hard copy and electronic copy. Electronic formats will be provided in Microsoft Excel.

Do not include NFIP program requirements. The Community Management Staff is responsible for submitting the required exhibits for all NFIP activities.

**Exhibit CONOPS-1**

(Page 1 of 3)

Exhibit CONOPS-1(Continued)

**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

(Dollars in Thousands)

<b><u>COST CATEGORIES</u></b>	<b><u>FY PY</u></b>		<b><u>FY CY</u></b>		<b><u>FY BY1</u></b>		<b><u>FY BY2</u></b>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>

**PERSONNEL SUPPORT (Continued)**

Temporary Duty/Temporary Additional Duty  
 Clothing & Other Personnel Equip & Supplies  
 Medical Support/Health Services  
 Reserve Component Activation/Deactivation  
 Other Personnel Support  
**Subtotal**

**OPERATING SUPPORT**

Training  
 Operations OPTEMPO (Fuel, Other POL, Parts)  
 Other Supplies & Equipment

**Exhibit CONOPS-1**

(Page 2 of 3)



Exhibit CONOPS-1(Continued)

**OVERSEAS CONTINGENCY OPERATIONS**

FY \_\_\_\_ Program and Budget Review Submission or FY \_\_\_\_ President's Budget (as applicable)

Name of Contingency Operation:

DoD Component:

(Dollars in Thousands)

<b><u>COST CATEGORIES</u></b>	<b><u>FY PY</u></b>		<b><u>FY CY</u></b>		<b><u>FY BY1</u></b>		<b><u>FY BY2</u></b>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>

**OPERATING SUPPORT (Continued)**

Facilities/Base Support

Reconstitution

C4I

Other Services/Miscellaneous Contracts

Subtotal

**TRANSPORTATION**

Airlift

Ready Reserve Force/Fast Sealift Ship

Port Handling/Inland Transportation

Other Transportation

Subtotal

**GRAND TOTAL****Military Personnel****Operation and Maintenance****Other** (specify by appropriation type (i.e., Procurement, RDT&E, etc.))**NOTE:** This information must be provided for each operation, each region, and in total.**Exhibit CONOPS-1**

(Page 3 of 3)

**VOLUME 2B, CHAPTER 18: “INFORMATION TECHNOLOGY (INCLUDING CYBERSPACE OPERATIONS)”**

**SUMMARY OF MAJOR CHANGES TO**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

**Hyperlinks are denoted by *bold, italic, blue and underlined font*.**

The previous version dated July 2010 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
180102.B	Update A-11 citation	Update
180102.C	Inclusion of Cyberspace Operations reporting	New Requirement
180102.D	Removes the exemption for reporting Non-Appropriated Funds (NAF)	New Requirement
180102.D.3	Clarifies that DoD CIO has final determination on what systems, programs, projects, and activities will be reported.	Update
180102.L.1	Clarify MAIS reporting	Update
180102.M	Clarify EX300s baseline reporting	Update
180103.G	Clarify Defense Business System reporting	Update
180103.I	Changed the section from Information Assurance to Cyberspace Operations to encompass new reporting requirements	Update
180103.J	Added Approved Shared Services	New Requirement
180104.K	Added DoD Directive 5205.12 Military Intelligence Program	Update
180105	Added multiple definitions	Update
180106	Added Segment Architecture structure	Update

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## CHAPTER 18

**INFORMATION TECHNOLOGY (Including Cyberspace Operations)**

## 1801 GENERAL

## 180101. Purpose

A. This chapter provides instructions applicable to supporting budgetary material and congressional justification for Information Technology (IT) and Cyberspace Operations investments, as well as discussing requirements for contributions to approved Electronic Government (E-Gov) investments.

B. These instructions apply to the Office of the Secretary of Defense (OSD), the Military Departments (including their National Guard and Reserve Components), the Joint Staff, Unified Commands, the Inspector General DoD, the Defense Agencies, the DoD Field Activities, the Joint Service Schools, the Defense Health Program, and the Court of Military Appeals, here after referred to as the DoD Components.

C. When contextually appropriate, the terms ‘investment’ and ‘initiative’ are interchangeable within this chapter.

## 180102. Submission Requirements

A. General guidance for submission requirements is presented in Volume 2A, Chapter 1 of the DoD Financial Management Regulation (FMR) and in the OSD Program/Budget guidance memos. This chapter covers specific submission and distribution instructions for the IT Budget and Cyberspace Operations Budget submission. All applicable automated database updates/formats will be submitted for both the OSD Program/Budget Estimates Submission and the Congressional Justification submission referred to in the DoD as the President’s Budget (PB) request. Only after the Office of Management and Budget (OMB) database is updated and OMB has approved the information for release, will the Office of the DoD Chief Information Officer (DoD CIO) further distribute information, as appropriate, to Congressional committees, General Accounting Office (GAO) and IG activities in accordance with OMB Circular A-11, section 22.

B. All DoD Components that have resource obligations supporting IT and Cyberspace Operations in any fiscal year of the Future Year Defense Plan (FYDP), will report IT and Cyberspace Operations data in preparation for the DoD Component’s inputs to the OMB Circular A-11 (Section 25.5 and Section 51.18), E-Government reviews, governance documents as required by the OMB Circular A-130, “Management of Federal Information Resources,” budget analyses, special data calls and Congressional displays. The Exhibit 300 is also known as the Capital Investment Report (CIR) and the two terms will be used interchangeably throughout this document. All DoD appropriation accounts and funds including Defense Working Capital Fund (DWCF), Other Funding, and IT & Cyberspace Operations portions of the Military Intelligence Program (MIP) are encompassed unless outlined in paragraph D below. All MIP IT resource submissions shall be coordinated with the OUSD(I)/DUSD(PP&R)/MIP Office.

C. This chapter covers IT and Cyber Operations submissions, including Defense Business Systems (DBS), National Security Systems (NSS), Command & Control (C2), Communications and related programs, Combat Identification, Cyberspace Operations, Information Assurance (including Information Systems Security), Offensive Cyber Operations , Defensive Cyber Operations , Operational Preparation of the Environment, Threat Detection and Analysis, meteorological and navigation systems/programs as well as budgeting for contributions to intergovernmental E-Gov investments.

D. The following resources are exempted from IT reporting:

1. U.S. Army Corps of Engineers Civil Works appropriations.
2. IT acquired by a Federal Contractor incidental to performance of a Federal Contract.
3. Programs, projects, and activities embedded in non-C2/Communications programs or weapon systems or embedded in Service force structure and, therefore, not readily identifiable in the budget. DoD CIO will have final determination on what systems, programs, projects, and activities will be reported.
4. Highly sensitive and special access programs whose resources are specifically exempted from budget reporting by the DoD CIO and other OSD authorities. In general, these resources are reviewed through separate budget processes.
5. National Intelligence Program (NIP) resources. The Office of the Director of National Intelligence staff submits NIP via separate mechanisms.

E. All DoD Components and Enterprise Portfolio Mission Areas must prepare separate executive overviews for the President's Budget and the Congressional Justification Submission. DoD CIO will provide guidance with specific areas of interest that must be addressed within the executive overview.

F. DoD CIO will designate investments required to submit an Exhibit 300A (EX300A) and Exhibit 300B (EX300B) to meet OMB Circular A-11, Sections 25.5 and 51.18 requirements. The Capital Asset Plan, Business Case and Selected Capital Investment Report (SCIR), a congressional report, are not limited to acquisition or development and modernization programs. A-11, Section 51.18 will direct you to specific discussions on the broad requirements for reporting Electronic Government, Financial, legacy and sustainment investments.

G. Statement of Compliance Requirement: The IT and Cyber Operations submissions are transmitted electronically, however, both the CIO and the Comptroller/Chief Financial Officer (CFO) of the Component must sign a joint or coordinated transmittal memo, on component letterhead, that states their submissions are complete; accurately aligned with their primary budget, the DoD Information Technology Portfolio Registry (DITPR), program and/or acquisition materials; and are consistent with subtitle III, title 40 (formerly called the Clinger-Cohen Act), 10 U.S.C. §2222 (Defense business systems only), OMB Circular A-11 and documented exceptions to the Circular, DoD CIO budget guidance memorandum, the Paperwork

Reduction Act, Section 180102.D, 29 U.S.C. §794d (Section 508 of the Rehabilitation Act of 1973, Pub. Law No. 93-112, as amended), and other applicable Acts and requirements. The statement may be based on the Program Manager's statement of compliance. The statement should also include explanations for investments that do not conform to DoD CIO budget guidance memorandum. DoD Components for which all Information Technology resources are exempt from reporting based on Section 180102.D above must submit a Statement of Compliance addressing the specific reasons for their exemption. This memorandum must be submitted annually to the DoD CIO, Deputy Chief Information Officer (DCIO) (Resources and Analysis) by February 14<sup>th</sup> (or the following business day).

H. If the OMB requires additional governance information to accompany the IT Budget and Cyberspace Operations Budget, the DoD CIO will determine how these requirements will be met, and provide direction to the Components via the DoD CIO Executive Board.

I. Appointment of qualified project managers for investments listed in the IT Budget and Cyberspace Operations Budget is a matter of high-level interest to the OMB. Components are charged to provide complete Program Manager identification and qualification documentation to comply with Project Manager reporting requirements for Exhibit 300 only.

J. 10 U.S.C §2222 (h) requires that the materials submitted by the Secretary of Defense to the Congress in support of the President's budget include information for each business system program for which funding is requested in the budget. For each defense business system program for which funding is requested in the budget, section 2222(h) states that this information is to: 1) identify the program; 2) identify all funds proposed for the program, by appropriation, including funds for current services to operate and maintain the program and funds for business systems modernization, identified by specific appropriation; 3) identify the pre-certification authority and the senior official designated under the provisions of subsection (f) of section 2222 for the program; and 4) describe the approval made by the Defense Business Systems Management Committee under the provisions of 10 U.S.C. § 186 for the program.

K. Investments in information technology reporting for the first time with \$1M (all appropriations) or more within the DoD FYDP are required to submit a memorandum from the component CIO, on DoD Component letterhead, to the DoD CIO, DCIO (Resources and Analysis). At a minimum, this memorandum must indicate the investments Budget Identification Number (BIN), title, acronym, description, if the investment is a DBS, BY justification, current acquisition milestones, dates for planned entry to future milestones, current Life Cycle Cost Estimate (LCCE) or FYDP estimate if a LCCE is not yet available, listing of other DoD participating Components, all associated DITPR Identification (ID) numbers, responsible Mission Area or equivalent portfolio manager, DoD Segment, and whether the investment is a financial management or financial feeder system. New investments will be addressed in a CIR or SCIR, as applicable. "New" investments do not arise from the breaking up of a larger investment into separately managed investments, nor is an investment "new" because of discovery that it had not been reported previously. "New" investments are "new starts" for purposes of this regulation. If a component projects that a new information technology investment will exceed a Major Automated Information System (MAIS) statutory threshold (per

10 U.S.C. Chapter 144A), the component will ensure that the initiative is budgeted in a unique Program Element, not to be shared by other activities.

L. 10 U.S.C §2445b requires that the Secretary of Defense submit, to the Congress, annual reports on all MAIS acquisition programs, and any major information technology investment products or services that is expected to exceed a MAIS threshold but is not considered to be a MAIS program because a formal acquisition decision has not yet been made with respect to such investment (a.k.a Unbaselined MAIS) or designated a pre-MAIS. This annual report, known as the MAIS Annual Report (MAR), is also a budget exhibit.

1. All MAIS, Unbaselined MAIS, MDAP IT Programs, and Pre-MDAP IT Programs will be reported in Select and Native Programming – Information Technology (SNaP-IT) as single investments aligned to the Official MAIS and MDAP Lists maintained in the Defense Acquisition Management Information Retrieval (DAMIR) Portal.

2. Components shall ensure that the MAR information is consistent with other budget exhibits, for example the IT-1 and SCIR. It is highly desirable that the MAR, IT-1, and EX300A and EX300B use the same program description. The program description should be thoroughly edited to contemplate the Congressional staff audience. In addition, Components shall notify the Under Secretary of Defense (Acquisition, Technology, and Acquisition) (USD(AT&L)) as soon as the Component anticipates that the program is within 10 percent of an ACAT I or IA program dollar threshold, as required by DoDI 5000.02.

M. Components with investments deemed “Major” (180105.BB) are required to provide updates to the EX300B, via SNaP-IT, that will be made available to the OMB Federal Information Technology Dashboard (ITDB). Updates include changes to EX300B baselines, planned start/end dates, actual start/end dates, and planned/actual costs. Additional guidance for this process is promulgated in the DoD CIO’s annual guidance (see 180103(A)).

#### 180103. Preparation of Material

A. This section covers material reporting requirements for IT resources submitted to the DoD CIO. The DoD CIO will provide an augmenting guidance letter annually on or about July 15<sup>th</sup> of the reporting year. The guidance will include changes in submission requirements to meet A-11 (Section 25.5 and 51.18), E-Government, and Congressional requirements (SCIRs), FY2003 DoD Authorization Act Section 351 requirements, Component Overviews, and Section 332 reporting; special areas of emphasis; and a listing of the investments that require an Exhibit 300.

B. All IT resources must be managed in accordance with appropriation guidance and applicable expense and investment criteria.

C. All IT resources will be reported within investments. With the exception of Defense business systems (see 180103.G.2), MAIS (see 180102.L.1), Approved Shared Services (see 180103.J), and programs, projects, and activities exempted by section 180102.D.4, investments can be systems, programs, projects, organizations, activities or grouping of systems. Each Component will manage its investments through the SNaP-IT web site, located at



<https://snap.pae.osd.mil/snapit/Home.aspx> or <https://snap.pae.osd.smil.mil/snapit> for Cyberspace operations and classified programs. Investments are registered with key categories of data required to meet internal and external reporting requirements. To register a new investment or amend/update existing investment data, DoD Components access SNaP-IT's on-line investment registration capability. A unique Budget Identification Number (BIN) is associated with each investment. The current and archived lists of investments are maintained on the SNaP-IT web site. New and amended investments are validated by various entities (Deputy Chief Information Officer (DCIO), Portfolio Managers, Investment Review Board staff, Mission Area staff, DoD Architects, etc.) prior to approval and activation in SNaP-IT. Additional guidance for this registration process, known as "Open Season", is promulgated in the DoD CIO's annual guidance (see 180103(A)). Components are responsible for ensuring investment data entered in SNaP-IT is consistent with that data entered into DITPR. At a minimum each DITPR line item must be aligned against an active SNaP-IT BIN.

D. All investments required to submit an EX300A & B (CIR and SCIR) will be identified within the annual IT Budget and Cyberspace Operations Budget guidance 180103.A. Regardless of actual investment amount, all funding for MAIS and pre-MAIS programs as defined in 10 U.S.C §2245a will be reported in the IT exhibit as major (exceptions to this rule will be annotated in the IT Budget and Cyberspace Operations Budget Guidance). Components that serve as the executive or principal funding agent (aka "Owner") for investments must report all sections of the EX300A & B.

E. Investments with multiple participating DoD Components are joint investments. All information submitted for a joint investment is the responsibility of the investment owner registered in SNaP-IT. The owner shall coordinate investment data with each participating DoD Component of that joint investment.

F. Group of Systems. With the exception of Defense business systems (see 180103(G)), MAIS (see 180102.L.1), and Approved Shared Services (see 180103.J), investments can be groupings of systems if all the systems are within the same Mission Area, segment, managed under the same construct, and financed under the same resource construct (program/project/organization). All systems grouped into an IT Budget Investment must report that investment's BIN in the appropriate DITPR system record.

G. Defense Business Systems (DBS)

1. In order to satisfy requirements of 10 U.S.C. §2222, for certification and approval of investments involving "defense business systems" as "covered defense business system programs," as well as for budget information in the materials that the Secretary of Defense submits to the Congress under 10 U.S.C. §2222(h), investments in defense business systems must be reported individually within the Information Technology (IT) Budget.

2. All defense business systems must be included within the IT Budget at the system level, not as system of systems, group of systems, or bundle of systems (i.e., Defense Business System = Investment).

3. The definition of a DBS is provided in section 180105.W. All



systems reported in the DITPR as a DBS MUST be maintained as their own SNaP-IT Investment.

#### H. Financial Management and Financial Feeder Systems

Core Financial Management systems, as defined in 180105.AH, are reported in SNaP-IT and DITPR. Financial feeder systems must report a percentage estimate indicating how much of the investment is financially focused in the Budget Year. These percentages are captured in the SNaP-IT per investment.

#### I. Cyberspace Operations

1. DoD categorizes Cyberspace Operations, formally known as and limited to Information Assurance (IA), as a major reportable category of the Global Information Grid (GIG) IT/ Defense Information Infrastructure (DII).

2. Components with Cyberspace Operations investments will report its resources through the Select & Native Programming Data Input System Defense-wide Information Assurance Program (SNaP-DIAP) website located at <https://paesso.cape.osd.smil.mil/DIAP>. All Cyberspace Operations resources will be reported within cyberspace operations investments as prescribed by DoD CIO. Components are responsible for ensuring cyberspace operations resource data entered into SNaP-DIAP is consistent with the data entered into SNaP-IT. Justification narratives to support the preparation of the DoD Cyberspace Operations Congressional Justification Book (CJB) will be input directly into SNaP DIAP.

3. The DoD CIO DCIO Cybersecurity (DCIO CS), will prepare a single DoD Cyberspace Operations CJB containing materials supporting DoD's overall Cyberspace Operations efforts. This information will be collected with the IT Budget and Cyberspace Operations Budget submission utilizing the SNaP-DIAP, a module of SNaP-IT. Components must complete the SNaP-DIAP submission for all investments identified as Information Assurance Activities (IAA's) in the "GIG Group".

#### J. Approved Shared Services

The DoD CIO Executive Board may from time to time authorize a DoD Approved Shared Service. In those cases, an Authorized Shared Service must be reported in a single SNaP-IT investment. The DCIO (Resources and Analysis) will maintain a listing of Authorized Shared Service and provide that listing within the DoD CIO's annual IT Budget and Cyberspace Operations Budget guidance (see 180103(A)).

#### 180104. References

A. DoD FMR, Volume 2A, Chapter 1 provides general funding and appropriation policies, including expense and investment criteria (Section 010201) and Budgeting for Information Technology and Automated Information Systems guidance (Section 010212), as well as general preparation instructions and distribution requirements. Volume 2A,

Chapter 3 provides guidance on Operation and Maintenance appropriations, Volume 2B, Chapter 4 addresses requirements for Procurement appropriations, Volume 2B, Chapter 5 addresses RDT&E, Volume 2B, Chapter 6 provides specific policies related to Military Construction appropriations, and Chapter 9 provides specific policies related to the Defense Working Capital Fund (DWCF). Volume 2B, Chapter 16 discusses requirements for NIP and MIP justification materials. Additional Cyberspace Operations justification guidance is provided above in (180103.I) and via an annual guidance letter.

B. DoD Directive 5000.01, “Defense Acquisition,” DoD Instruction 5000.02, “Operation of the Defense Acquisition System,” and the Defense Acquisition Guidebook discuss acquisition and program management requirements for preparation of acquisition program Capital Asset Plan and Business Cases. DTM 11-003 – Reliability Analysis, Planning, Tracking, and Reporting and DTM 09-027 – Implementation of the Weapon Systems Acquisition Reform Act of 2009 provide further clarification to DoDD 5000.01.

C. Office of Management and Budget (OMB) Circular No. A-11, “Preparation and Submission of Budget Estimates,” [Section 51.18, “Budgeting for the acquisition of capital assets,”](#) and [Section 25.5, “What do I include in the budget request?”](#) provide the general Federal reporting requirements for IT resources.

D. The Paperwork Reduction Act of 1995 and the Public Law 104-106 (Clinger-Cohen Act of 1996) contain supporting definitions regarding IT.

E. OMB Circular A-130, “Management of Federal Information Resources” provides guidance on governance requirements including the Documented Capital Planning and Investment Control (CPIC) process, Agency Enterprise Architecture and the Information Resource Management (IRM) Plan.

F. DoD Directive 8115.01, “Information Technology Portfolio Management” and DoD Instruction 8115.02, “Information Technology Portfolio Management Implementation,” provides guidance and define responsibilities for DoD Mission Areas.

G. Information System is defined in section 3502 of title 44 U.S.C.

H. National Security System is defined in section 3542 of title 44 U.S.C.

I. Information Technology is defined in section 11101 of title 40 U.S.C.

J. DoD Directive 7045.20, “Capability Portfolio Management,” establishes policy and assigns responsibilities for the use of capability portfolio management.

K. [DoD Directive 5205.12, “Military Intelligence Program \(MIP\),”](#) Establishes policy and assigns responsibilities for the MIP in accordance with the authority in [DoD Directive \(DoDD\) 5143.01 \(Reference \(a\)\)](#) to provide visibility into Defense Intelligence resource data and capabilities and to create a means for effectively assessing Defense Intelligence capabilities.

L. [Joint Publication 3-13, Information Operations, dated 13 February 2006.](#)

M. [Joint Publications 3-12, Cyberspace Operations, dated \[in draft\].](#)

180105. Definitions

A. [Acquisition Management Segment \(510-000\).](#) IT supporting the activities necessary to provide (non-commodity) goods/services for DoD operations.

B. [Battlespace Awareness-Environment Segment \(710-000\).](#) IT supporting the ability to collect, analyze, predict and exploit meteorological, oceanographic and space environmental data.

C. [Battlespace Awareness-ISR Segment \(700-000\).](#) IT supporting the ability to conduct activities to meet the intelligence needs of national and military decision-makers.

D. [Battlespace Networks Segment \(720-000\).](#) IT that extends DoD's "commercial like" IT Infrastructure to meet the unique connectivity and interoperability needs of deployed and mobile warfighting capabilities. Focuses on information transport, computing, enterprise services capabilities that supports the Combined Joint Task Force. NOTE: All investments included in the Battlespace Networks segment should be identified as NSS. If it is not an NSS system then it probably should be aligned with the Information Technology Infrastructure (ITI) segment.

E. [Budget Identification Number \(BIN\).](#) See Identification Number.

F. [Building Partnerships Segment \(790-000\).](#) This segment covers the IT supporting the capability for setting conditions for interaction with partner, competitor or adversary leaders, military forces, or relevant populations by developing and presenting information and conducting activities to affect their perceptions, will, behavior, and capabilities.

G. [Business Mission Area \(BMA\).](#) The BMA ensures that the right capabilities, resources, and materiel are reliably delivered to our warfighters: what they need, where they need it, when they need it, anywhere in the world. In order to cost-effectively meet these requirements, the DoD current business and financial management infrastructure - processes, systems, and data standards - are being transformed to ensure better support to the warfighter and improve accountability to the taxpayer. Integration of business transformation for the DoD business enterprise is led by the Deputy Secretary of Defense in his role as the Chief Management Officer (CMO) of the Department, and supported by the Deputy Chief Management Officer (DCMO).

H. [Business Services Segment-TBD \(599-000\).](#) This is a placeholder for those "few" business service related IT investments that do not currently fit into the existing business segments.

I. [Business Services Segment Group.](#) This segment includes investments for foundational mechanisms and back-office services used to support the mission of the agency. Segments included in this group are: Financial Management, Acquisition, Human Resources Management, Logistics/Supply Chain Management, and Installation Support.

J. Communications and Computing Infrastructure (C&CI). The C&CI reporting category includes the information processing (computing), transport (communications) and infrastructure management services used in DoD such as voice, data transfer (including electronic commerce and business interfaces), video teleconferencing, and messaging. The C&CI category is subdivided into operational areas and special interest programs.

K. Communications. Communications elements include fixed plant, sustaining base infrastructure in the US and selected overseas locations; long haul transmissions via Defense-owned or leased terrestrial facilities; transmissions via satellite or other radio systems; and mobile, tactical transmission systems.

L. Command and Control (C2). Includes the facilities, systems, and manpower essential to a commander for planning, directing, coordinating and controlling operations of assigned forces. C2 capabilities cover the joint/tactical operations echelon and down to front line tactical elements.

M. Command and Control Segment (730-000). This segment provides the IT that facilitates the exercise of authority and direction over DoD-mission related activities supporting the joint warfighter.

N. Computing Infrastructure. Automated information processing operations reported in the C&CI section generally perform one or more of the following functions: processing associated with agency-approved automated information systems; timesharing services; centralized office automation; records management services; or network management support. Staff associated with these operations includes computer operators, computer system programmers, telecommunications specialists, helpdesk personnel and administrative support personnel.

O. Core Financial System. Is an information system, or system of system, that may perform all financial functions including general ledger management, funds management, payment management, receivable management, and cost management. The core financial system is the system of record that maintains all transactions resulting from financial events (see definition below). It may be integrated through a common database or interfaced electronically to meet defined data and processing requirements. The core financial system is specifically used for collecting, processing, maintaining, transmitting, and reporting data regarding financial events. Other uses include supporting financial planning, budgeting activities, and preparing financial statements. Any data transfers to the core financial system must be: traceable to the transaction source; posted to the core financial system in accordance with applicable guidance from the Federal Accounting Standards Advisory Board (FASAB); and in the data format of the core financial system.

P. Core Mission Services Segment (799-000). Placeholder for those “few” core mission service related IT investments that do not currently fit into the existing core service segments.

Q. Core Mission Services Segment Group. This segment group contains investments that directly support the Department's core missions. Segments included in this group are; Battlespace Awareness – Environment, Battlespace Awareness – Intelligence, Surveillance, and Reconnaissance (ISR), Battlespace Networks, Command and Control, Force Application, Protection, Building Partnerships, Force Management, Force Training, and Health.

R. Cost. A monetary measure of the amount of resources applied to a cost objective. Within the DoD, "costs" are identified following the GAO accounting principles and standards as implemented in this Regulation. The fact that collections for some cost elements are deposited into Miscellaneous Receipts of the Treasury does not make those costs "extraneous." It simply means the Congress has not authorized such amounts to be retained by appropriation accounts. After costs have been identified, following the Comptroller General cost accounting rules, a DoD Component may proceed to eliminate cost elements, or process waivers, in accordance with legal authorities.

S. Current Services (CS). At the Federal level, this is referred to as Steady State (SS) and is synonymous with operations and maintenance. Current Services represents the cost of operations at the current capability and performance level of the application, infrastructure program and/or investment when the budget is submitted. That is, the cost with no changes to the baseline other than fact-of-life reductions, termination or replacement. Current Services include: (1) personnel whose duties relate to the general management and operations of information technology, including certain overhead costs associated with Program Management (PM) offices; (2) maintenance of an existing application, infrastructure program or investment; (3) corrective software maintenance, including all efforts to diagnose and correct actual errors (e.g., processing or performance errors) in a system; (4) maintenance of existing voice and data communications capabilities; (5) replacement of broken IT equipment needed to continue operations at the current service level; and (6) all other related costs not identified as Development/Modernization.

T. Cyberspace. A global domain consisting of the interdependent network of information technology infrastructures, including the Internet, telecommunications networks, computer systems, and embedded processors and controllers.

U. Cyberspace Operations. Employment of cyberspace capabilities for the primary purpose of achieving objectives in or through cyberspace. For the purposes of budget reporting, DOD CATEGORIZES CYBERSPACE OPERATIONS AS A MAJOR REPORTABLE CATEGORY OF THE GIG/IT/ DEFENSE INFORMATION INFRASTRUCTURE (DII). Information Assurance (IA), Offensive Cyberspace Operations, Defensive Cyberspace Operations, Operational Preparation of the Environment, and Threat Detection and Analysis are subsets of the Cyberspace Operations MAJOR REPORTABLE CATEGORY.

V. Data Administration. Program Area of Related Technical Activities. Activities reported in this area include: Data sharing and data standardization. Component data administration programs are defined in the Data Administration Strategic Plans.

W. Defense Business System (DBS). The term “defense business system” as defined at 10 U.S.C §2222(j)(1) means an information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management. The term “covered defense business system” as defined at 10 USC §2222(j)(2) means [any defense business system program that is expected to have a total cost in excess of \\$1,000,000 over the current future-years defense program submitted to the Congress under 10 U.S.C §221](#).

X. Defensive Cyber Operations (DCO). [Passive and active operations to preserve the ability to utilize friendly cyberspace capabilities and protect the DoD networks and net-centric capabilities,](#)

Y. Defensive Cybersecurity. [The protection of information against unauthorized disclosure, transfer, modification, or destruction, whether accidental or intentional.](#)

Z. Development/Modernization (Dev/Mod). Also referred to as development/modernization/enhancement. Any change or modification to an existing Information System (IS), program, and/or investment that results in improved capability or performance of the baseline activity. Improved capability or performance achieved as a by-product of the replacement of broken IT equipment to continue an operation at the current service levels is not categorized as Development/Modernization. Development/Modernization includes: (1) program costs for new applications and infrastructure capabilities that are planned or under development; (2) any change or modification to existing applications and infrastructure capabilities which is intended to result in improved capability or performance of the activity. These changes include (a) all modifications to existing operational software (other than corrective software maintenance); and (b) expansion of existing capabilities to new users; (3) changes mandated by the Congress or the Office of the Secretary of Defense; (4) personnel costs for Project Management.

AA. DoD portion of Intelligence Mission Area (DIMA). The DIMA includes IT investments within the Military Intelligence Program and DoD component programs of the National Intelligence Program. The USD(I) has delegated responsibility for managing the DIMA portfolio to the Director, Defense Intelligence Agency, but USD(I) retains final signature authority. The DIMA management will require coordination of issues among portfolios that extend beyond the Department of Defense to the overall Intelligence Community.

AB. Enterprise Information Environment Mission Area (EIEMA). The EIEMA represents the common, integrated information computing and communications environment of the GIG. The Enterprise Information Environment (EIE) is composed of GIG assets that operate as, provide transport for, and/or assure local area networks, campus area networks, tactical operational and strategic networks, metropolitan area networks, and wide area networks. The EIE includes computing infrastructure for the automatic acquisition, storage, manipulation, management, control, and display of data or information, with a primary emphasis



on the DoD enterprise hardware, software operating systems, and hardware/software support that enable the GIG enterprise. The EIE also includes a common set of enterprise services, called Core Enterprise Services, which provide awareness of, access to, and delivery of information on the GIG.

AC. Enterprise Services Segment –TBD (699-000). This is a placeholder for those “few” enterprise service related IT investments that do not currently fit into the existing IT Infrastructure; Identity and Information Assurance; or IT Management segments.

AD. Enterprise Services Segment Group. This segment group includes investments for IT services and infrastructure that support core mission and business services. Segments included in this group are; Identity and Information Assurance (IIA), IT Infrastructure, and IT Management.

AE. Financial Event. Is any activity having financial consequences to the Federal government related to the receipt of appropriations or other financial resources; acquisition of goods or services; payments or collections; recognition of guarantees, benefits to be provided, or other potential liabilities; distribution of grants; or other reportable financial activities.

AF. Financial Feeder Systems. Financial Feeder Systems are sometimes also referred to as mixed or secondary financial systems. Financial feeder systems are information systems that support functions with both financial and non-financial aspects, such as logistics, acquisition, and personnel. They provide key information required in financial processes. For a feeder system, all DoD Components must report the percentage of each feeder system that supports financial requirements.

AG. Financial Management Segment (500-000). The IT supporting the facilitation and implementation of financial management solutions providing timely and accurate decision support data, stronger internal controls, establishing standards for acquiring and implementing FM systems through shared business processes, IT services, and data elements.

AH. Financial Management Systems. Financial Management systems perform the functions necessary to process or support financial management activities. These systems collect, process, maintain, transmit, and/or report data about financial events or supporting financial planning or budgeting activities. These systems may also accumulate or report cost information, support preparation of financial transactions or financial statements or track financial events and provide information significant to the DoD Components financial management.

AI. Force Application Segment (740-000). IT supporting the capability to integrate the use of maneuver and engagement in all environments, to creating the necessary effects for achieving DoD mission objectives.

AJ. Force Management Segment (770-000). IT supporting the ability to integrate new and existing human and technical assets from across the Joint Force and its

mission partners to make the right capabilities available at the right time/place to support National Security.

AK. Force Training Segment (780-000). IT supporting the ability to enhance the capacity to perform specific functions and tasks in order to improve the individual or collective performance of personnel, units, forces, and staffs.

AL. Global/Functional Area Applications (G/FAA). Also referred to as Global Applications, Global, or Functional Area Applications are associated with all DoD mission areas—C2, Intelligence and combat support, combat service support areas, and the DoD business areas. Selected investments will be categorized as NSS. Global applications rely upon the network, computing and communication management services including information processing, common services, and transport capabilities of the Communications and Computing Infrastructure. Related technical activities provide the architectures, standards, interoperability, and information assurance that these applications require to operate effectively as part of the Defense Information Infrastructure. Although an application/system may serve more than one function, it is generally classified according to its predominate function across the department. Each Functional Application category is subdivided into Functional Areas that equate to principal staff functions and activities.

AM. Global Information Grid (GIG). The GIG supports all DoD missions with information technology for National Security Systems, joint operations, Joint Task Forces, Combined Task Force commands, and DoD business operations that offer the most effective and efficient information handling capabilities available, consistent with National Military Strategy, operational requirements and best value enterprise level business practices. The GIG is based on a common, or enterprise level, communications and computing architecture to provide a full range of information services at all major security classifications.

AN. Health (760-000). The Health segment facilitates the implementation of IT systems and services that enable the Department's capabilities to maintain the health of military personnel, which includes the delivery of healthcare required during wartime.

AO. Human Resource Management Segment (520-000). IT supporting DoD human resource management, personnel and readiness ensuring human resources are recruited, trained, capable, motivated, and ready to support the Department.

AP. Identification Number (IN). Investment numbers are more commonly referred to as the Budget Identification Numbers (BIN). A four or five digit identification number that is assigned to each investment, program and system reported in the IT budget and Cyberspace Operations Budget.

AQ. Identity and Information Assurance (IIA) Segment (610-000). IT supporting the DoD's ability to maintain an appropriate level of confidentiality, integrity, authentication, non-repudiation and availability. Maintain the information and information assets; documented threats and vulnerabilities; the trustworthiness of users and interconnecting systems; the impact of impairment or destruction to the DoD information system(s) and



cyberspace; and cost effectiveness.

AR. Information Assurance (IA). DOD CATEGORIZES IA AS PART OF CYBERSPACE OPERATIONS, A MAJOR REPORTABLE CATEGORY OF THE GIG/IT/DEFENSE INFORMATION INFRASTRUCTURE (DII). IA includes all efforts that protect and defend information and information systems by ensuring their availability, integrity, authentication, confidentiality, and non-repudiation. Also included are all provisions for restoration of information systems by incorporating protection, detection, and reaction capabilities. As such, IA is broader in scope than information systems security and reflects the realities of assuring timely availability of accurate information and reliable operation of DoD information systems in increasingly inter-networked information environments.

AS. Information System (IS). An information system is a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information. This includes automated information systems (AIS), enclaves, outsourced IT-based processes and platform IT interconnections. To operate information systems, Components must support related software applications, supporting communications and computing infrastructure and necessary architectures and information security activities.

AT. Information Technology (IT). IT means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. It includes computers, ancillary equipment, IT services, software, firmware and similar services and related resources whether performed by in-house, contractor, other intra-agency or intergovernmental agency resources/personnel.

AU. Information Technology & Information Technology Resources. The Information Technology (IT) Resources that must be reported under this chapter are defined by the OMB Circular A-11 and described by subtitle III of title 40 (formerly called the Clinger-Cohen Act of 1996) and include NSS resources. The term investment within the OMB A-11 is very broad and includes IT resources in all life cycle phases (planning, acquisition or steady state). Both system and non-system IT resources including base level units (communications, engineering, maintenance, and installation) and management staffs at all levels are included in IT resource reporting. Additional guidance regarding IT systems will be addressed in the annual IT Budget and Cyberspace Operations Budget and DITPR Guidance memos.

AV. Information Technology (IT) Portfolio. The DoD IT portfolio consists of investments representing a common collection of capabilities and services. The portfolios are an integral part of the Department's decision making process and are managed with the goal of ensuring efficient and effective delivery of capabilities while maximizing the return on Enterprise investments.

AW. Installation Support Segment (540-000). IT supporting the ability to provide installation assets and services necessary to support the US military forces.

AX. IT Infrastructure Segment (600-000). Commercial-like, common user, information transport, computing and (infrastructure) enterprise services supporting DoD's fixed base users in accomplishing their missions.

AY. IT Management Segment (800-000). Facilitates planning, selection, implementation and assessment of IT investments and programs supporting the broader enterprise. This includes: IT strategic planning, promulgation of policy and direction governing the provisioning of services; establishing and maintaining enterprise architectures and transition strategies; cost analysis, performance measurement and assessment in order to best mitigate risks.

AZ. Life-Cycle Cost (LCC). LCC represents the total cost to the Government for an IS, weapon system, program and/or investment over its full life. It includes all developmental costs, procurement costs, MILCON costs, operations and support costs, and disposal costs. LCC encompasses direct and indirect initial costs plus any periodic or continuing sustainment costs, and all contract and in-house costs, in all cost categories and all related appropriations/funds. LCC may be broken down to describe the cost of delivering a certain capability or useful segment of an IT investment. LCC normally includes 10 years of sustainment funding following Full Operational Capability (FOC) or Full Deployment for Automated Information Systems. For investments with no known end date and that are beyond FOC, LCC estimate should include 10 years of sustainment.

BA. Logistics/Supply Chain Management Segment (530-000). IT supporting the ability to project and sustain a logistically ready joint force to meet mission objectives.

BB. Major. A system or investment requiring special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property or other resources. Systems or investments that have been categorized as "Major" can include resources that are associated with the planning, acquisition and /or sustainment life cycle phases. Large infrastructure investments (e.g. major purchases of personal computers or local area network improvements) should be considered major investments. Includes programs identified as MAIS (also called ACAT IA) in DoD 5000 series documents.

BC. Mixed System. See Financial Feeder System.

BD. Military Intelligence Program (MIP): The MIP consists of programs, projects, or activities that support the Secretary of Defense's intelligence, counterintelligence, and related intelligence responsibilities. This includes those intelligence and counterintelligence programs, projects, or activities that provide capabilities to meet warfighters' operational and tactical requirements more effectively. The term excludes capabilities associated with a weapons system whose primary mission is not intelligence.

BE. National Security Systems (NSS). NSS includes any telecommunications or information system operated by the United States Government, the function, operation, or use of which involves intelligence activities, cryptologic activities related to national security, or

command and control of military forces. NSS also includes equipment that is an integral part of a weapon or weapons system, or is critical to the direct fulfillment of military or intelligence missions. NSS DOES NOT include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

BF. Obligation. The amount representing orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Obligations include payments for which obligations previously have not been recorded and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures - paid or unpaid. For purposes of matching a disbursement to its proper obligation, the term obligation refers to each separate obligation amount identified by a separate line of accounting.

BG. Offensive Cyber Operations. Activities that actively gather information, manipulate, disrupt, deny, degrade, or destroy adversary computer information systems, information, or networks through cyberspace.

BH. Office Automation (also referred to as “Desktop Processing”). Facilities that support file servers or desktop computers used for administrative processing (e.g. word processing, spreadsheets, etc) rather than application processing, should be reported as Office Automation (listed as a separate function).

BI. Operational Preparation of the Environment. Non-intelligence enabling activities conducted to plan and prepare for potential follow-on military operations. OPE in cyberspace includes identifying data, software, systems, networks, and facilities to determine vulnerabilities and activities to assure future access or control during anticipated hostilities.

BJ. “Other” Category (also referred to as “All Other”). For those “Development/Modernization” and/or “Current Services” costs/obligations as well as investments not designated in the major categories. “Other” category investments are aligned with the applicable GIG/IT/DII Reporting Structure functional/mission area (see Section 180106).

BK. Program Cost (also referred to as investment cost and total acquisition cost). The total of all expenditures, in all appropriations and funds, directly related to the IS, program, or investment’s definition, design, development, and deployment; incurred from the beginning of the “Concept Exploration” phase through deployment at each separate site. For incremental and evolutionary program strategies, program cost includes all funded increments. Program cost is further discussed in DoD 5000 series documents.

BL. Protection Segment (750-000). IT supporting the capability to prevent and/or mitigate adverse effects of attacks on personnel (combatant or non-combatant) and physical assets of the United States, its allies and friends.

BM. Related Technical Activities (RTAs). RTAs service global/functional applications, C&CI and IA. While RTAs do not provide directly functional applications, data processing, or connectivity, they are required to ensure that the infrastructure functions as an integrated whole and meets DoD mission requirements. RTAs include such things as spectrum management, development of architectures, facilitation of interoperability, and technical integration activities. RTAs are considered necessary “overhead” for the GIG/DII. See Section 180106 for the GIG/IT/DII Structure Table. The RTA category is subdivided into limited Program Areas.

BN. Segments. A portfolio management concept required by OMB Circular A-11. Segments serve as the basis for organizing IT investments for both budget management and performance management purposes. Three groups of segments have emerged to characterize the way in which their segments enable functional capabilities of the enterprise – and to differentiate the way in which investments are governed; Business Services Segment Group, Core Mission Services Segment Group, and Enterprise Services Segment Group.

BO. Select & Native Programming-Information Technology (SNaP-IT). The electronic system used by the DoD CIO to collect IT Budget and Cyberspace Operations Budget data and generates reports mandated by the OMB and the Congress. SNaP-IT is a database application used to plan, coordinate, edit, publish, and disseminate Information Technology (IT) budget justification books required by the Congress. SNaP-IT generates all forms, summaries, and pages used to complete the publishing of the IT Congressional Justification materials (the IT-1, overviews, Selected Capital Investment Reports required by Section 351) and the OMB submissions, such as the Exhibit 53, the Exhibit 300s, and monthly updates to the OMB Information Technology Dashboard. SNaP-IT provides users the ability to gain access to critical information needed to monitor and analyze the IT Budget and Cyberspace Operations Budget submitted by the DoD Components.

BP. Special Interest Communications Programs. Special interest communications programs are reported under IT/DII C&CI division. Electronic Commerce/Electronic Data Interchange and Distance Learning Systems are special interest programs that should be reported in this area. The resource category "Other" may not be used with Special Interest Communications.

BQ. Steady State (SS). See definition for Current Services.

BR. Technical Activities. This refers to activities that deal with testing, engineering, architectures and inter-operability.

BS. Threat Detection and Analysis. This refers to activities that identify, characterize, examine, and track previously undefined types and sources of cyber threats against data, system, or network vulnerabilities to determine the risks to particular data, systems, networks, or operations.

BT. Warfighting Mission Area (WMA). The WMA provides life cycle oversight to applicable DoD Component and Combatant Commander IT investments (programs,

systems, and investments). WMA IT investments support and enhance the Chairman of the Joint Chiefs of Staff's joint warfighting priorities while supporting actions to create a net-centric distributed force, capable of full spectrum dominance through decision and information superiority. WMA IT investments ensure Combatant Commands can meet the Chairman of the Joint Chiefs of Staff's strategic challenges to win the war on terrorism, accelerate transformation, and strengthen joint warfighting through organizational agility, action and decision speed, collaboration, outreach, and professional development.

#### 180106. Reporting Structure

IT investments shall be managed by enterprise portfolios divided into Mission Area portfolios which are defined as Warfighting, Business, DoD portion of Intelligence, and Enterprise Information Environment. In addition all information technology resources will be associated with [category single DoD Segment \(see section 180105 for definitions\)](#), the Federal Enterprise Architecture (FEA) Business Reference Model (BRM), and the OMB approved Segment. Investments are also reported by appropriation details (Appropriation, Budget Activity (BA), Program Element (PE), Budget Line Item (BLI), Investment Stage and [Source \(Base/Overseas Contingency Operations \(OCO\)\)](#) and by "major" and "other" categories. SNaP-IT records these business rules. Investments that cross more than one functional area, such as C&CI, RTA, or IAA ([Cyberspace Operations](#)), may need to be broken down by area and registered in the Master BIN List maintained in SNaP-IT by the DoD CIO. The reporting area will normally be based upon the preponderance of the mission/capability concept.

## Segment Architecture and Information Technology/Defense Information Infrastructure

## (IT/DII) Reporting Structure

Segment Category	Segment Code	Segment Title	GIG Group	Mission Area
Business Services	500-000	Financial Management	FAA	BMA
Business Services	510-000	Acquisition	FAA	BMA
Business Services	520-000	Human Resource Management	FAA	BMA
Business Services	530-000	Logistics/Supply Chain Management	FAA	BMA
Business Services	540-000	Installation Support	FAA	BMA
Business Services	599-000	Business Services TBD	FAA	BMA
Enterprise Services	600-000	DoD IT Infrastructure	CCI	EIEMA
Enterprise Services	610-000	Information & Identity Assurance (Cyberspace Operations)	IAA	EIEMA
Enterprise Services	699-000	Enterprise Services TBD	CCI	EIEMA
Core Mission Area Services	700-000	Battlespace Awareness-ISR	FAA	DIMA
Core Mission Area Services	710-000	Battlespace Awareness-Environment	FAA	WMA
Core Mission Area Services	720-000	Battlespace Networks	FAA	EIEMA
Core Mission Area Services	730-000	Command & Control	FAA	WMA
Core Mission Area Services	740-000	Force Application	FAA	WMA
Core Mission Area Services	750-000	Protection	FAA	WMA
Core Mission Area Services	760-000	Health	FAA	BMA
Core Mission Area Services	770-000	Force Management	FAA	BMA
Core Mission Area Services	780-000	Force Training	FAA	WMA
Core Mission Area Services	790-000	Building Partnerships	FAA	WMA
Core Mission Area Services	799-000	Core Mission TBD	RTA	EIEMA
Enterprise Services	800-000	IT Management	RTA	BMA

## 1802 PROGRAM AND BUDGET ESTIMATES SUBMISSION

## 180201. Purpose

This section provides guidance for preparation and submission of the Information Technology Budget Estimate Submission (BES) to the DoD CIO, and for preliminary updates to OMB resource exhibits in September in preparation for the OMB “draft guidance” and IT Budget and Cyberspace Operations Budget hearings. Resources reported in the IT submission must be consistent with other primary appropriation justification and FYDP submissions. Supplemental guidance may be issued for other data requirements directed by the DoD CIO, Congress or OMB. Timelines for updates will be provided as information becomes available and will be designated in the program and budget call memorandum. Technical requirements and templates are provided in SNaP-IT.

## 180202. Submission Requirements

A. The following information is required. Unless modified in a subsequent budget call, Components WILL use the formats on the SNaP-IT Web page (<https://snap.pae.osd.mil/snapit/Home.aspx> or <https://snap.pae.osd.mil/snapit/>) and provide an automated submission.

1. Investment Registration. Add, update, delete, and modify investment data to accurately represent the current environment for the IT investment and the Component using the SNaP-IT investment registration and ‘Open Season’ process. This includes Titles, Descriptions, Type of IT, IT/NSS Classification, DoD Segment and FEA information, and DoD Component participation requirements.

2. IT Investment Resources. Collection of resources by Component; Security Classification; Appropriation/Fund (Treasury Code); Investment Stage; BA/Line Item; OSD PE Code; Funding Source (Base/OCO); PY, CY, BY, BY+1, +2, +3, and +4 for submitting the Exhibit 53 as required by the OMB A-11, Section 51.18 and 25.5.

3. Exhibit 300. Capital Asset Plan and Business Case (IT) for major investments. The Exhibit 300 (or CIR), is discussed in the OMB's A-11 Section 51.18 and 25.5. DoD Components are required to complete an Exhibit 300 for those investments identified by the DoD CIO. In addition to the IT investment resources information reported in the Exhibit 53 (Section 180202.A.2), Exhibit 300 programs will report associated Full Time Equivalent (FTE) personnel and the complete Life Cycle Cost (LCC) of the investment.

B. Distribution of the OSD budget estimates material will be available electronically through the SNaP-IT site.

C. Additional reporting requirements will be identified in the call memorandum, as necessary. Additional management and supporting data may be designated by the DoD CIO to support detailed justification requirements. All supporting program documentation not submitted with the budget submission must be made available to the DoD



CIO within two business days of its request.

180203. Arrangement of Backup Exhibits

The SNaP-IT will provide an option to assemble information in the sequence shown in Section 180202, as applicable. Components will be able to generate Exhibit 53 level data outputs for internal review only.

### 1803 CONGRESSIONAL JUSTIFICATION/PRESENTATION

180301. Purpose

This section provides guidance on organizing the IT resource justification materials submitted in support of the President's Budget. The Department will submit draft and final consolidated outputs to the OMB in the January timeframe and for the Congress by the date set by the Comptroller, usually in the first week of March.

180302. Justification Book Preparation

Justification information will be taken from the SNaP-IT system, reflecting the OMB requirements for Exhibits 53 and 300. Special outputs will be designed for select investments and summaries based on Congressional requirements. DoD Component requirements and review of these outputs will be discussed in the final budget call memorandum. Congressional justification materials will be extracted or derived from materials developed for the OMB updates.

180303. Submission Requirements

Submission requirements are as specified in Section 180202, except as noted below:

A. IT Overview. Information Technology Investment Portfolio Assessment Overview is an Executive summary of a DoD Component's and the Enterprise Portfolio Mission Area's IT Investments providing high-level justification of the portfolio selections and priorities. Information provided must be consistent with the Component's overall budget justification materials. A Cyberspace Operations section is required and must be consistent with information reported in cyberspace operations justification materials and financial reporting. Format will be provided via the SNaP-IT web page or the DoD CIO budget guidance.

B. SCIR. Add/Update/Modify SCIR data within SNaP-IT for all investments designated by the DoD CIO as major and therefore submitting an Exhibit 300.

180304. Input for Summary Information Technology Justification Books

A. General. All exhibit data shall be submitted in automated form and be consolidated in SNaP-IT (<https://snap.pae.osd.mil/snapit/Home.aspx> or <https://snap.pae.osd.smil.mil/snapit>). The DoD CIO is responsible for providing the DoD



Information Technology summary tables per Congressional direction. SNaP-IT will generate the OMB and Congressional President's Budget reporting packages after the DoD Component IT Overview and Exhibit 300 documents have been submitted to the DoD CIO, DCIO (Resources & Analysis) and/or posted to the SNaP-IT web page. SNaP-IT will generate correct identification information, a cover page, a table of contents, an overview and appendices; the IT Index, report, annex and appendix and the Exhibit 300 or Congressional extract reports. These will generate a single, integrated submission in Adobe Acrobat Portable Document Format (pdf) that can be used for internal coordination. To accomplish this requirement, the DoD Components will populate the SNaP-IT to generate their submission. The DoD CIO will maintain (and make available to the DoD Components and OSD staff) the electronically IT Budget and Cyberspace Operations Budget database. Other specific guidance for IT [Budget and Cyberspace Operations budget](#) materials will be provided as required.

B. Distribution of the final appropriately released justification material will be made electronically and by Compact Disk Read-Only Memory (CD ROM) to the Congress and the OMB. Releasable information will be available through public web site(s). CD ROMs will be provided to the Government Accounting Office (GAO) and the DoD Inspector General.

1. The DoD CIO will provide data to OMB for review.
2. The DoD Components will send their draft submissions through final Security Review in accordance with Comptroller instructions and provide copies of the appropriate release form to the DoD CIO, DCIO (Resources & Analysis), Office of Information Technology Investment, and as an attachment to the President's Budget Request transmittal form, due within five working days of final submission.
3. The DoD CIO will consolidate electronic submissions from the DoD Components and the Enterprise Portfolio Mission Areas and prepare integrated and individual portfolio overviews, summary information and graphics. The justification books will be forwarded to the OMB for review and release approval.
4. Once security and the OMB have released the justification books, summary and detail data will be transmitted to the Congress (House Defense Appropriations Subcommittee, Senate Defense Appropriations Subcommittee, House Armed Services Committee, and Senate Armed Services Committee). Any data made available to the Congress will be available on the public web page(s) and via CD ROM distribution made in accordance with the format, table and media guidance (Justification Material Supporting the President's Budget Request) in **Volume 2A, Chapter 1.**

#### 1804 INFORMATION TECHNOLOGY PROGRAM SUBMISSION FORMATS

##### 180401. Format Location

The required input formats are located on the *SNaP-IT* Web page <https://snap.pae.osd.mil/snapit/Home.aspx> or <https://snap.pae.osd.smil.mil/snapit/>

**VOLUME 2B, CHAPTER 19: “OTHER SPECIAL ANALYSES”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue, and underlined font\*\*\*](#).

The previous version dated July 2007 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Overall	Formatting and room location changes.	Refresh
19-76	Removed Troop Strength column from PB-18.	Update
19-90/91	Update PB-28 Exhibit to included manpower, education and training.	Update
19-92/93	Update PB-28 Exhibit to include Environmental Management Systems.	Update

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**CHAPTER 19****OTHER SPECIAL ANALYSES****1901 GENERAL****190101. Purpose**

A. This chapter provides instructions applicable to budget formulation and congressional back-up justification for various special interest areas not covered in preceding chapters.

B. The exhibit requirements cover resources crossing DoD appropriations and are generally functional in nature.

C. Areas covered in this chapter are as follows:

**Section**

- 1902 Combating Terrorism
- 1903 Major Range and Test Facility Base
- 1904 Test and Evaluation Funding
- 1905 Financial Management Activities
- 1906 Government Performance and Results Act (GPRA)
- 1908 Federal Credit Programs
- 1909 Other Special Analyses
- 1910 Classifications and Definitions Special Programs Major Force Program 3

**190102. Submission Requirements**

Unless indicated in individual sections of this chapter and submission distribution in Chapter 1, exhibits are required for both the program and Budget Review Submission and for the Congressional Justification/Presentation submission. General guidance with regard to submission requirements is presented in Chapter 1.

**190103. Preparation of Material**

General guidance with regard to format and preparation of material is presented in Chapter 1. Chapter 19 provides additional specific guidance with regard to the material required for these special exhibits.

**190104. References**

Chapter 1 provides general funding policies, Chapter 3 provides specific policies related to Operation and Maintenance costs, Chapter 4 provides specific policies related to Procurement appropriations, Chapter 5 provides specific policies related to RDT&E, Chapter 6 provides specific

policies related to Military Construction appropriations, and Chapter 9 provides specific policies related to the Defense Working Capital Funds. Certain requirements are also addressed in OMB Circular No. A-11.

## 1902 COMBATING TERRORISM

### 190201. Purpose

A. This chapter provides instructions applicable to budget formulation for the DoD Combating Terrorism (CbT) funding requirements included in the DoD Components' budget requests. These instructions apply to all Components and all DoD appropriations and revolving funds.

B. The data collected through this reporting process will be used to comply with congressional and OMB reporting requirements. Data will also be used by the Department to evaluate Components' combating terrorism efforts during program and execution reviews.

### 190202. Submission Requirements

A. Submission of exhibits is required for the Program and Budget Review Submission and an update (using an abbreviated exhibit format) is required for the President's budget submission. Each Component will complete the CbT-1 Exhibit, Combating Terrorism Detail, and the CbT-2 Exhibit, Combating Terrorism Narrative, for the Program and Budget Review Submission and for the President's budget submission. The CbT-3 Exhibit, Vulnerability Assessments, will be completed only during the Program and Budget Review Submission and is NOT required for the President's budget submission. The President's budget submission exhibits will be presented in a consolidated congressional justification book which will be prepared by OASD(SO/LIC). Specific instructions for completing these exhibits are included in Section 191202.

B. The USD(I) Security Directorate will validate tactical counterintelligence resources identified by the Components and advise the OUSD (Comptroller) P/B Operations Directorate that reported resources are accurate.

C. Copy requirements are identified in Chapter 1. Components shall submit their exhibits through the Select and Native Programming (SNaP) Data Input System located on the NIPRNet at <https://snap.pae.osd.mil>. The most current version of this exhibit will be found at this site.

### 190203. Special Instructions

A. The OASD (SO/LIC) will actively participate in the review of all budget submissions for combating terrorism activities and will offer recommendations to ensure approved CbT policies are reflected in the budget. The OASD(SO/LIC) will consolidate and provide to the Congress a single budget justification book detailing the Department's CbT efforts and associated funding requests.

B. The OASD (SO/LIC), Joint Staff Deputy Directorate for Antiterrorism/Homeland Defense, (J-34), Antiterrorism/Force Protection Division, and USD(I) will participate with representatives of the OUSD (Comptroller), OSD PA&E, and OMB in the review of all budget submissions for combating terrorism to ensure that DoD combating terrorism activities are funded adequately.

C. The CbT-1 and CbT-2 exhibits in Section 191202 are used to identify the Department's combating terrorism resources, dollars and personnel. They consist of tabular and narrative data as outlined below. These exhibits will report only those resources (including civilian and military pay) associated with DoD's Combating Terrorism Program. Combating terrorism within DoD includes 1) antiterrorism (defensive measures taken to reduce vulnerability to terrorist acts), 2) counterterrorism (offensive measures taken to prevent, deter, and respond to terrorism), 3) terrorism consequence management (preparation for and response to the consequences of a terrorist incident/event), and 4) intelligence related support (collection and dissemination of terrorism-related information) taken to oppose terrorism throughout the entire threat spectrum, to include terrorist use of WMD and/or high explosives. The four functional categories are described below:

1. Antiterrorism

a. Physical Security Equipment - Any item, device, or system that is used primarily for the protection of assets, personnel, information, or facilities to include alarms, sensors, protective lighting and their control systems, military working dogs, and the assessment of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; improvised explosive device defeat systems; commercially procured armored vehicles (both heavy and light); equipment for executive protection, to include added doors, increased ballistic protection at offices/residences, personal body armor, individual protective equipment, and armored vehicles; and detection devices.

b. Physical Security Site Improvements - Any facility improvements (using O&M or MILCON funding) or new construction whose purpose is to protect DoD assets, personnel, or information to include walls, fencing, perimeter/area lighting, doors, windows, ceilings, barricades, or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to): acquisition of land for stand-off distance, installation perimeter barriers, vehicle barriers, mylar/fragment retention film, and interior barriers; safe havens; evacuation facilities; and surveillance platforms.

c. Physical Security Management and Planning - Personnel who manage physical security programs, resources, and assets such as, but not limited to, headquarters staff.

d. Security Forces/Technicians - All personnel and operating costs associated with protective forces whose primary or supporting mission is to safeguard assets, personnel or information. Included, but not limited to, are costs for: salaries, overtime, benefits, materials, supplies, travel, support equipment, facilities, vehicles, training, communications equipment, and management, for the personnel engaged in the following activities such as (but not



limited to): dedicated response forces and security forces; locksmiths; perimeter, installation or facility access control; inspection and maintenance of barriers and security system components; antiterrorism training for security forces; and antiterrorism awareness programs and training.

e. Law Enforcement - All personnel and operating costs associated with law enforcement to include, but are not limited to, salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to): protective service details, including advance work; response forces; and military police.

f. Security and Investigative Matters Category - Includes Defense criminal investigative resources, conduct of vulnerability assessments (periodic high level reviews and physical security assessments), security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories such as (but not limited to): terrorism investigations; executive antiterrorism training; surveillance and countersurveillance teams; protective service details including advance work; route surveys; and antiterrorism awareness programs and training.

g. RDT&E - Includes any RDT&E resources expended in the area of antiterrorism. Activities include (but are not limited to) are Defense Threat Reduction Agency, Counterterrorism Technical Support Program (CTTS), the Physical Security Equipment Action Group (PSEAG), the Technical Support Working Group (TSWG), Defense Advanced Research Projects Agency (DARPA) and Chemical Biological Defense Program (CBDP).

## 2. Counterterrorism

Offensive measures taken to prevent, deter, and respond to terrorism. The sensitive and compartmental programs of counterterrorism (CT) will be reported separately in the appropriate classified program submissions.

- a. Special Operations Command Activities
- b. Research Development Test and Evaluation (example, CTTS or TSWG)
- c. DoD Rewards Program

## 3. Terrorism Consequence Management

DoD defines Consequence Management (CM) as those measures taken to protect public health and safety, restore essential government services, and provide emergency relief to governments, businesses, and individuals affected by the consequences of a chemical, biological, radiological, nuclear, and/or high-yield explosive (CBRNE) situation. The Department has a wide variety of unique warfighting support capabilities, both technical and operational, which could be used to provide assistance to state and local authorities in the event of a terrorist attack. The Department's role is to provide assistance emphasizing the unique resources and capabilities that are not found in other federal agencies, such as the ability to mass mobilize and to provide extensive

logistical support. The Department supports the lead federal agency within existing required resources while not adversely affecting overall military preparedness. This also includes the activities of installation first responders. For clarity, descriptions of subcategories are as follows:

a. Consequence Management Response – Includes war fighting units and installation first responders within the Department that possess specialized equipment, knowledge, skills, and training that could be brought to bear after a WMD incident. Units would include, but are not limited to, the Defense Nuclear Advisory Team, 52<sup>nd</sup> Ordnance Group, Edgewood Chemical and Biological Forensic Analytical Center Modular On-site Laboratory, Medical Chemical Biological Advisory Team, US Army Medical Research Institute of Infectious Diseases, Radiological Control Teams, Radiological Advisory Medical Team, Response Task Force, 20th Support Command – Chemical Biological Radiological Nuclear and High Yield Explosives (CBRNE), and Chemical/Biological Incident Response Force. Also includes funding for Installation Emergency Responders such as fire departments, security forces, law enforcement, medical responders, civil engineers, medical surveillance, and explosive ordinance disposal. Funding includes training, exercises, and evaluation for base and headquarters personnel, support for formal and supplemental training courses, developing and evaluating response plans, and other associated activities. Funding in this category also includes procurement efforts for the Chemical Biological Installation Protection program and operations and maintenance for the Chemical, Biological, Radiological, and Nuclear Defense program. Funding also includes a pilot program to expand emergency responder capabilities to handle CBRNE emergencies through the procurement of specialized equipment, additional training, and exercises.

b. Weapons of Mass Destruction Civil Support Teams - Include the Joint Task Force Civil Support and the 55 congressionally mandated WMD Civil Support Teams (CSTs). Joint Task Force Civil Support is responsible for the planning and execution of military assistance to civil authorities for consequence management of WMD incidents within the United States, its territories and possessions. CST funds are used for unique individual and collective unit training. Funds also support operational deployments, equipment upgrades, and communications links.

c. Research Development Test and Evaluation - RDT&E support to the terrorism consequence management efforts. Includes, but is not limited to, the activities of OSD, and the portion of DARPA's Biological Warfare Defense Program that is dedicated to domestic terrorism consequence management.

4. Intelligence Related Support to Combating Terrorism- Collection, analysis, and dissemination of all-source intelligence on terrorist groups and activities intended to protect, deter, preempt, or counter the terrorist threat to US personnel, forces, critical infrastructures, and interests. THIS PORTION OF THE SNAP SUBMISSION IS NOT INCLUDED IN THE COMBATING TERRORISM JUSTIFICATION BOOK AND WILL ONLY BE COLLECTED DURING THE PROGRAM AND BUDGET REVIEW DATA COLLECTION CYCLE – IT WILL NOT BE COLLECTED DURING THE PRESIDENT'S BUDGET DATA COLLECTION CYCLE.

a. Counterintelligence (CI) - Includes personnel and funding associated with Military Intelligence Program (MIP). These activities include terrorism

investigations, surveillance and counter surveillance teams, terrorism analysis and production, force protection source operations, threat assessments, terrorism collection, route surveys, and intelligence staff support to deployed forces. Only those counterintelligence resources directly supporting force protection/combating terrorism activities are to be reported in this resource summary. Army and Marine Corps tactical CI resources and Army Security and Intelligence Activities CI resources will be reported by the Army and Marine Corps. The Counterintelligence Field Activity (CIFA) will report CIFA resources that directly support force protection/combating terrorism activities.

b. Research Development Test and Evaluation - For example, Counter Terrorism Technical Support Program.

D. Entries for CbT-1 Exhibit

1. General: DoD Components should prepare a separate summary for each applicable appropriation and revolving fund. Each summary will report resources (funding and personnel) by the combating terrorism functional categories described above.

2. Appropriation Summary: For each appropriation (O&M, Military Personnel and Military Construction) report budget authority by appropriation, budget activity, and applicable subactivity group level/program line item/project. Procurement, and RDT&E appropriations, report the total combating terrorism budget authority funds by budget activity and by program element. For Revolving Funds, report obligation authority at the Working Capital Fund business area.

3. Financial Summary Section:

a. Military Personnel. Report resources by CbT functional category and CbT activity group at the appropriation budget activity level.

b. Operation and Maintenance. Report resources by CbT functional category, CbT activity group, budget activity, and subactivity group level (O-1 line).

c. Procurement. Report resources by CbT functional category, CbT activity group, and Program Element (PE) (P1 line item).

d. RDT&E. Report resources by CbT functional category and CbT activity group, and PE (PE/R-1 line item).

e. Military Construction. Report resources by CbT functional category and CbT activity group, State/Country, and project title.

f. Revolving Funds. Report resources by CbT category and activity group by business area level.

4. Personnel Summary Section:

a. For each applicable appropriation, report civilian and contractor personnel full-time equivalents (FTEs) and military (active and reserve component) end strength by CbT functional category and CbT activity group.

b. The following generic Military Occupational Series (MOS) and civilian job series should be reported as full-time Combating Terrorism assets -- even if these persons spend only a portion of their time on combating terrorism activities. Additionally, personnel not in these MOS's and/or job series who are assigned permanently or detailed to force protection offices and who spend at least 51% of their time directly supporting combating terrorism activities should be reported on this exhibit:

(1) Military Career Fields/Occupational Series: Military Police, Law Enforcement Specialist and Security, Master at Arms, Security Forces, Criminal Investigator, Interrogator, Interpreter/Translator, Counterintelligence Officer, and Office of Special Investigations. Appropriate subspecialties/subfunctions/skills are to be captured in these career fields/occupational series, in support of combating terrorism, with the exception of military working dogs in counterdrug missions.

(2) The following civilian Job Series are to be reported if responsibilities relate to CbT efforts: Physical Security Manager (GS-0080), Civilian Police (GS-0083), Security Guard (GS-0085), and those personnel in the Security Clerical and Assistance (GS-0086) series, and all associated wage grade positions that are in direct support of the previously aforementioned series.

(3) Personnel data associated with classified combating terrorism programs will be reported as follows: Army and Marine Corps tactical counterintelligence resources and all Army security and intelligence activities and CIFA's counterintelligence resources will be reported in the CbT exhibits by the applicable components.

### 1903 MAJOR RANGE AND TEST FACILITY BASE

#### 190301. Purpose

A. This Chapter provides instructions applicable to budget formulation for the DoD Major Range and Test Facility Base (MRTFB) funding requirements included in the DoD Components' budget requests. The exhibit formats submitted in support of the Program and Budget Review Submission (August timeframe) will be the same as those submitted to the Director, DoD Test Resource Management Center (TRMC) in support of the President's Budget (March timeframe) except that the President's Budget submission will not include updates to any of the Direct (User) funding or MILCON information on any Exhibit to include Exhibit 2D, Source of Direct Funds, in whole.

B. These instructions apply to the activities included in the MRTFB as defined in DoDD 3200.11 and listed below.

Army:

Aberdeen Test Center (ATC), Aberdeen Proving Ground, MD  
Dugway Proving Ground, (DPG), Dugway Proving Grounds, UT  
Electronic Proving Ground (EPG), Ft. Huachuca, AZ  
High Energy Laser Systems Test Facility (HELSTF), White Sands Missile Range, NM  
Ronald Reagan BMD Test Site (RTS), Kwajalein Atoll, Marshall Islands  
White Sands Missile Range (WSMR), White Sands Missile Range, NM  
Yuma Proving Ground (YPG), Yuma Proving Ground, AZ

Navy:

Atlantic Undersea T&E Center (AUTEC), Andros Island, Bahamas  
Naval Air Warfare Center-Aircraft Division (NAWCAD), Patuxent River, MD  
Naval Air Warfare Center-Weapons Division (NAWCWD), China Lake and Point Mugu, CA  
Pacific Northwest Range Complex, (NanOOSE and Dabob Ranges), Keyport, WA  
Pacific Missile Range Facility (PMRF), Barking Sands, Kauai, HI

Air Force:

30<sup>th</sup> Space Wing (30SW), Vandenberg AFB, CA  
45<sup>th</sup> Space Wing (45SW), Patrick AFB, FL  
Arnold Engineering Development Center (AEDC), Arnold AFB, TN  
Air Armament Center (AAC), 46 Test Wing (46TW), Eglin AFB, FL and 46<sup>th</sup> Test Group, (46TG), Holloman AFB, NM  
Air Force Flight Test Center (AFFTC), Edwards AFB, CA  
Nevada Test and Training Range (NTTR), Nellis AFB, NV  
Utah Test and Training Range (UTTR), Hill AFB, UT

Defense Information System Agency:

Joint Interoperability Test Command (JTIC), Ft. Huachuca, AZ, Slidell, LA, and Arlington, VA

C. The TRMC is charged with administering OSD responsibilities for the MRTFB in accordance with DoDD 3200.11. Modifications to these instructions, requests for deviations from their provisions, or requirements for their clarification or applicability should be directed to and coordinated with the TRMC and OUSD (Comptroller) Program/Budget.

D. Budget estimates will be developed in accordance with guidance contained in Chapter 1 and the various chapters for appropriations and accounts.

190302. Submission Requirements

Copies of the following exhibits will be submitted twice annually in support of the President's Budget (March timeframe) and the Program and Budget Review (August timeframe) for each major range and test facility. The same format and guidance are used for both submissions.

However, the Program and Budget Review submission shall include all the full budget exhibits, addressing both institutional and direct funding, whereas the President's Budget submission shall be an abbreviated version that needs only address updates to the institutional funding elements on each exhibit. Copy requirements are identified in Chapter 1. Exhibit formats are provided in Section 1912.

- A. MRTFB-1 Exhibit, (Activity Title) Financial Summary.
- B. MRTFB-2 Exhibit Set, (Activity Title) Financial Details.
- C. MRTFB-3 Exhibit Set, (Activity Title) Improvement and Modernization Analysis.

190303. Preparation of Material

Budget estimate data submitted by each DoD Component for the MRTFB will be assembled separately and identified by a cover sheet specifically entitled "Major Range and Test Facility Base (Army/Navy/Air Force/DISA) Program Budget Estimate."

190304. Special Instructions

Representatives of the OUSD (Comptroller), DOT&E, TRMC and OMB will participate in the review of all budget submissions for the major ranges and test facilities to ensure that:

- A. Funding is adequate to maintain and sustain the DoD MRTFB test capability.
- B. Excess capability is not being unnecessarily maintained in the MRTFB.
- C. Unnecessary duplication does not exist within the MRTFB activities.
- D. Test facility capability needed in the future is being planned and supported.
- E. All new major test facilities are thoroughly coordinated prior to their approval to reflect the needs of all elements of DoD.

1904 TEST AND EVALUATION FUNDING

190401. Purpose

A. This Chapter provides instructions applicable to budget formulation for the Test and Evaluation Exhibit (T&E-1) needed for review and analysis of Test and Evaluation (T&E) funding requirements included in the DoD Components' requests. The instructions specify the requirements for the program and budget submission.

B. The Director, Operational Test and Evaluation (DOT&E), is charged with oversight of the DoD T&E resources and funding of T&E by each major DoD program. Modifications to these instructions, requests for deviations from their provisions, or requests for their

clarification or applicability should be directed to and coordinated with DOT&E and OUSD (Comptroller) Program/Budget.

190402. Submission Requirements

Each DoD Component will, for the Program and Budget Review only, complete an Exhibit T&E-1, Test and Evaluation for each of the Major Defense Acquisition Programs (MDAP) as listed on the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) website at: [http://friends.acq.osd.mil/ara/dab\\_oipt/schedule/mdaplist.html](http://friends.acq.osd.mil/ara/dab_oipt/schedule/mdaplist.html). This process is accomplished on-line using the Select & Native Programming Data Input System (SNaP) located at: <http://snap.pae.osd.smil.mil>. Note: The SNaP system operating instructions specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if the instructions are different.

190403. Special Instructions

The DOT&E will participate with representatives of OUSD (Comptroller), USD(AT&L), and OMB in the review of all budget submissions for T&E funding to ensure that:

- A. Resources required for the test and evaluation of the MDAP and Special Interest Programs, as identified in the Test and Evaluation Master Plan (TEMP), are adequately funded.
- B. Unwarranted test capability is not being maintained at private industry facilities.
- C. Unwarranted duplication does not exist among DoD Component assets and private industry.
- D. Test facilities and capabilities required are adequately funded and supported.
- E. All new major test facilities are approved by the Defense Test and Evaluation Steering Group to ensure they are warranted and meet the needs of all DoD components.

1905 FINANCIAL MANAGEMENT ACTIVITIES

190501. Financial Management Activities

A. This Section provides guidance for presenting budget estimates related to Financial Management Activities. It is designed to fulfill the requirements of Section 52, Information on Financial Management, of OMB Circular A-11.

B. Information on funding levels for financial management activities is required for oversight and review of component resources devoted to these activities and to ensure that their use is in accordance with the government-wide 5-year financial management plan prepared by OMB as required by the Chief Financial Officers Act of 1990.



C. Submission of Exhibit 52—Information on Financial Management, as shown in OMB Circular A-11, is required for the Program and Budget Review and an update is required for the President's budget submission (Congressional Justification/Presentation). The exhibit should meet the definitions/descriptions contained in Section 52. Guidance for the automation of the data submission will be provided as part of the budget call for the Program and Budget Review.

D. Copies are to be provided directly to the OUSD (Comptroller), at the following address: Director, Accounting and Finance Policy and Analysis Directorate, Room 3E987, 1100 Defense Pentagon, Washington DC, 20301 (Commercial (703) 697-8283; DSN 277-8283).

190502. Financial Improvement Initiative (formerly Financial Improvement Initiative, FII 52)

A. This section provides guidance for presenting program and budget estimates related to the Financial Improvement Initiative (FII). It supplements the information provided on the Exhibit 52 in the preceding section and also, supplements the PB-15, "Advisory and Assistance Services" exhibit.

B. Information on funding levels including budget and program years is required for oversight and review of component resources devoted to financial improvement and to respond to congressional questions about the amounts budgeted and programmed for financial improvement. The funding levels related to financial improvement include the amounts for the Financial Improvement and Audit Readiness report submitted to Congress and the amounts to achieve all of the milestones in the Financial Improvement Plan.

C. A [Schedule 52](#), will be submitted for the Program and Budget Review and the update for the President's Budget submission. The schedule shows the resources that are programmed and budgeted for the Department to produce reliable, accurate, and timely information and to finance the costs of annual financial statements audits. (Click on the link for the format and guidance for [Schedule 52](#).)

D. Copies are to be provided directly to the OUSD (Comptroller), Financial Improvement and Audit Readiness Directorate, 1550 Crystal Drive, Suite 212, Arlington, VA 22202, (703-607-0300), extension 138; DSN 327-0300, extension 122).

190503. Preparation and Audit of Financial Statements

A. Sections 1008 (b) and (d) of the Fiscal Year 2002 Authorization Act, require the Under Secretary of Defense(Comptroller) to submit, with the annual budget justification, the following information:

1. An estimate of the resources that the Department of Defense is saving, or expects to save, as a result of actions taken or to be taken, with respect to the preparation and audit of financial statements (FS), and



2. A discussion of how resources saved in (1) above have been redirected or are redirected to improvement of systems, financial policies, procedures, and internal controls underlying financial management within the department. The Components should submit these costs for the preceding fiscal year, the current year, and the following fiscal year. Click on the link for the format and guidance for the Section 1008 report.

B. Copies are to be provided directly to the OUSD (Comptroller), Financial Improvement and Audit Readiness Directorate, 1550 Crystal Drive, Suite 212, Arlington, VA 22202 (703-607-0300), extension 138; DSN 327-0300, extension 122).

## 1906 GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA)

### 190601. Purpose

The purpose of this section is to establish basic guidance for aligning GPRA reporting requirements with the Department's budget development process and OMB Circular A-11's requirement to submit an annual performance budget.

### 190602. Submission Requirements

A. The 1993 Government Performance and Results Act (GPRA) require the Department of Defense to submit a strategic plan (updated at least once every 4 years), an annual performance plan, and an annual performance report.

B. The Quadrennial Defense Review, issued every four years, serves as the Department's strategic plan; the QDR establishes strategic outcome goals for the Department.

C. The Secretary's Annual Defense Report (ADR) to the President and the Congress, in combination with the statutory reports of the Military Departments and budget justification materials serve as the Department's performance plan. The Military Departments' statutory reports describe how service-level strategies and associated performance goals support the Department's overall performance framework. The congressional budget justification materials, which list program-level goals and performance measures that support both Component-level and Departmental performance goals, serve as a performance budget. OMB Circular A-11, Section 220, provides additional details.

D. The Performance and Accountability Report (PAR), Section II, documents actual results against the Defense-wide performance goals established in the ADR, and thus serve as the Department's performance report.

E. The QDR, ADR, performance budget, and PAR satisfy the standards set forth by the 1993 Government Performance and Results Act. Together they serve as the Secretary's primary public record of how well the Department is managing to results.

**1907 INFORMATION ON OVERSEAS STAFFING (POSITIONS FILLED)****190701. Purpose**

The purpose of this section is to establish basic guidance for the annual reporting of the number of overseas employees assigned to the Chief of Mission staff as required by OMB Circular A-11 and the Department of State, Capital Security Cost Sharing (CSC) Program.

**\*190702. Submission Requirements**

A. OMB Circular A-11, Section 25 requires the Department of Defense to submit an exhibit on Information on Staffing Overseas on an annual basis. Submission is required on overseas staffing if your agency assigns employees to overseas positions under a Chief of Mission, as defined below.

B. This information is required to analyze the number of overseas employees assigned to a Chief of Mission staff and the cost of new positions being assigned. Overseas employee means an American citizen employed outside the United States and its territories. Chief of Mission means the ranking officer in an embassy, permanent mission, legation, consulate general or consulate.

C. Information reported will be compared for accuracy against the Department of State reports. Discrepancies will be validated by the Component or Defense Agency.

D. The following types of positions are to be reported:

1. U.S. Hires
2. Full-time permanent (FTP) U.S. direct-hire positions (USDH)
3. U.S. – Contracted Personnel Services Contractors (PSC)
4. U.S. military positions
5. Locally Engaged Staff
6. Foreign Service National (FSN)
7. PSCs or Personnel Services Agreements (PSA)
8. Third Country Nationals (TCNs)
9. Locally Hired Americans, including eligible family members
10. TDY – long term/rolling TDY employees

E. Additional information and guidance can be found in OMB Circular A-11, Section 25 and the Department of State, Capital Cost Sharing Program (<http://www.state.gov/obo/c11275.htm>). The PB-59, DoD Overseas Staffing exhibit must be submitted in an EXCEL spreadsheet to OUSD (Comptroller) P/B, Operations Directorate, Room [3C710](#), the Pentagon.

## 1908 FEDERAL CREDIT PROGRAMS

## 190801. Purpose

This Section provides guidance for presentation of annual budget estimates for Federal credit programs. Credit programs in the Department of Defense consist of direct loans and guaranteed loans.

## 190802. Submission Requirements

A. Military Departments and Defense Agencies, as appropriate, will submit to OSD in support of Federal credit programs all materials required by, and in the format specified in, OMB Circular No. A-11, Section 85. Copies of appropriate exhibits will be submitted in support of the Program and Budget Review Submission only.

B. Definitions: The following definitions apply to the credit account structure. Agencies should refer to OMB Circular A-34 and A-11 for a more detailed explanation of terminology and budget instructions.

1. A direct loan is a disbursement of funds by the Government to a non-Federal borrower under a contract that requires repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by a non-Federal lender. It also includes the sale of a Government asset on credit terms of more than 90 days duration.

2. A direct loan obligation is a legal or binding agreement by a Federal agency to make a direct loan when specified conditions are fulfilled by the borrower.

3. A loan guarantee is any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawal accounts in financial institutions.

4. A loan guarantee commitment is a legally binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

5. Financing Account is the non-budget account or accounts associated with each credit program account for post-1991 direct loans or loan guarantees. It holds balances, receives the subsidy cost payment from the credit program account, and includes all other cash flows to and from the Government. Separate financing accounts are required for direct loans and loan guarantees.

6. Modifications are any Government action that alters the estimated subsidy cost, compared to the estimate contained in the most recent budget submitted to Congress, of an outstanding direct loan (or direct loan obligation) or an outstanding loan guarantee (or loan guarantee commitment). Actions permitted within the terms of an existing contract are the only

exception. Modifications to pre-1992 direct loans and loan guarantees are included in this definition, as well as modifications to post-1991 direct loans and loan guarantees. For pre-1992 direct loans and loan guarantees, the loan asset or guarantee liability will be transferred from the liquidating account to the appropriate financing account. A one-time adjusting payment will be made between the liquidating and financing accounts. The subsequent cash flows will be recorded in the financing account.

7. Program Account is the budget account into which an appropriation to cover the subsidy cost of a direct loan or loan guarantee program is made and from which such cost is disbursed to the financing account. Usually, a separate amount for administrative expenses is also appropriated to the program account. Each program account is associated with one or two financing accounts, depending on whether the program account makes both direct loans and loan guarantees. The program account pays subsidies to the financing account for post-1991 direct loans and loan guarantees, for modifications, and for re-estimates. These subsidy payments are counted in calculating budget outlays and the deficit.

8. Subsidy is the estimated long-term cost to the Government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs. In net present value terms, it is the portion of the direct loan disbursement that the Government does not expect to recover, or the portion of expected payments for loan guarantees that will not be offset by collections. The subsidy may be for post-1991 direct loan obligations or loan guarantee commitments, for re-estimates of post-1991 loans or guarantees, or for modifications of any direct loans or loan guarantees.

9. Re-estimates are the recalculation of the subsidy cost of each risk category within the cohort of direct loans or guaranteed loans. Re-estimates must be made at the beginning of each fiscal year following the year in which the initial disbursement was made and as long as the loans are outstanding, unless a different plan is approved by OMB.

10. Cohort - Direct loans obligated or loan guarantees committed by a program in the same year, even if disbursements occur in subsequent years or the loans are modified. Modified pre-1992 direct loans will constitute a single cohort; modified pre-1992 loan guarantees will constitute a single cohort. For loans subsidized by no-year or multi-year appropriations, the cohort may be defined by the year of appropriation or the year of obligation. The Program and Financial Control Directorate of OUSD (Comptroller) P/B will contact OMB for proper determination.

C. Materials required by this Section will be provided for credit programs for the DoD Family Housing Improvement program, the Army ARMS Initiative Program, the Defense Export Loan Guarantee Program, and for any additional programs involved in direct loans or guaranteed loans.

D. Copies of these materials are required as part of the program and budget review submission in the quantities identified in Chapter 1.

## 1909 OTHER SPECIAL INTEREST AREAS

## 190901. Purpose

This Chapter prescribes instructions for the preparation and submission of budget justification backup data for special areas in which the Congress or OMB has expressed interest. Most of these requirements affect more than a single appropriation.

## 190902. Submission Requirements

A. Data in the exhibit formats provided in Section 1912 are required for the following program areas:

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B. Definitions are to be identical to those most recently used in furnishing data to the Congress.

C. All exhibits are required for the Program and Budget Review Submission and the congressional justification/presentation submission. Copies of exhibits are required with the submissions in the quantities identified in Chapter 1.

## 1910 CLASSIFICATIONS AND DEFINITIONS – COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE PROGRAMS

### 191001. Purpose

The Office of the Director for Program Analysis and Evaluation maintains a listing of program elements (PEs) in the Future Years Defense Program (FYDP) making up these programs. For details, please contact the POC for the FYDP Resource Structure Management (RSM) system. The RSM system and its Web site are described in FMR Volume 2A, Section 010702.

### 1911 NOT USED

## 1912 OTHER SPECIAL ANALYSES SUBMISSION FORMATS

### 191201. Purpose

The formats provided on the following pages reflect guidance presented in previous sections of this chapter. Unless modified in a submission budget call, these formats should be adhered to.

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### 191203. Exhibits in Support of Section 1903 - Major Range and Test Facility

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### 191205. Exhibits in Support of Section 1909 - Other Special Interest Areas

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HCbT 1 Combating Terrorism Activities Detail - SNaP Format

## HCbT 1 Combating Terrorism Activities Detail - SNaP Format

Class	Component	CBTCategory	CBTActivity Group	Program Title	Funding Source	Treasury Code	BACode	Budget Line Item	Resource Type
-------	-----------	-------------	-------------------	---------------	----------------	---------------	--------	------------------	---------------

Occupation Service	Occupation Code	Personnel Assigned To	Program Element	CONUS- OCONUS	CONUS- OCONUS Rationale	Reason Code	Reason For Change	PBD_PDM _Num	PBD_PDM _Date
--------------------	-----------------	-----------------------	-----------------	---------------	-------------------------	-------------	-------------------	--------------	---------------

FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
--------	--------	--------	--------	--------	--------	--------	--------

**Instructions**

- 1) For all fields listed above, please report the funded and levels of Manpower, Total Obligation Authority (TOA), and Quantity Procured for all combating terrorism activities. Reporting is required by Program Title, within CbT Activity Group, CbT Category, Component and Org. Please refer to the attached relationship table to properly identify CbT Categories and their associated CbT Activity Groups.
- 2) Under the field name ResourceType, select "Funding" to report appropriations not explicitly listed: e.g., MilCon, Procurement, RDT&E, and Revolving Funds.
- 3) Report \$ in Thousands; Civilians and Contractors in FTEs; Military Personnel in Authorized End-Strength; and Quantity Procured in Units.

## For Manpower:

1. For each applicable appropriation, report civilian and contractor personnel full-time equivalents (FTEs) and military (active, guard, and reserve component) end strength by CbT Category, CbTActivityGroup, and Program Title.
2. The following generic Military Occupational Series (MOS) and civilian job series should be reported as full-time Combating Terrorism assets -- even if these persons spend only a portion of their time on combating terrorism activities. Additionally, personnel not in these MOSs and/or job series who are assigned permanently or detailed to force protection offices and who spend at least 51% of their time directly supporting combating terrorism activities should be reported on this exhibit:
  - A. Military Career Fields/Occupational Series: Military Police, Law Enforcement Specialist, Security, Master at Arms, Security Forces, Criminal Investigator, Interrogator, Interpreter/Translator, Counterintelligence Officer, and Office of Special Investigations. Appropriate subspecialties/subfunctions/skills are to be captured in these career fields/occupational series, in support of combating terrorism, with the exception of military working dogs in counterdrug missions.
  - B. The following civilian Job Series are to be reported: Physical Security Manager (GS-0080), Civilian Police (GS-0083), Security Guard (GS-0085), and those personnel in the Security Clerical and Assistance (GS-0086) series, and all associated wage grade positions that are in direct support of the previously aforementioned series.
  - C. Personnel data associated with classified combating terrorism programs will be reported as follows: Army and Marine Corps tactical counterintelligence resources and all Army Security and Intelligence Activities counterintelligence resources will be reported in the CbT exhibits by the applicable Components.

HCbT 1 Combating Terrorism Activities Detail - SNaP Format  
(Page 1 of 4)



HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

D. The services shall report all CbT military manpower (\$ and End-strength) and annotate (using the OccupationService field) the Combatant Command, Defense Agency, or Field Activity that any personnel are detailed to.

E. The Combatant Command, Defense Agencies, and Field Activities shall report the military End Strength detailed to their organization and annotate (using the Occupation Service field) the service providing the manpower.

### **CbT 1 Definitions**

**Class:** System Field: Classification. All information for this exhibit must be submitted at the unclassified level on the unclassified network.

**U:** UNCLASSIFIED

**Component:** Identifies the duty status for military service units and defense agencies.

**Active:**

**DADW:** Defense Area Defense Wide. Used by non-service defense agencies.

**Guard:**

**Reserve:**

**JIEDDO:** Joint IED Defeat Organization

**CBTCategory:** Antiterrorism (defensive measures), Counterterrorism (offensive measures), Terrorism Consequence Management (preparedness and response for mitigating the consequences of a WMD incident), and Intelligence Related Support.

**CBTActivityGroup:** A specified grouping of activities and functions that describe the type of CbT effort within a CbT Category. Refer to the CbTCategory & CbTActivityGroup Relationship Matrix.

**Program Title:** Descriptive name of your program: associated with the PE's and the resources for the CbTActivityGroup. This is a required field and must be entered through the data management segment of SNaP prior to entering Program Details.

Open List. Add entries to pick list.

**Funding Source:** Annotate if the original source of the funding was the Defense Emergency Response Fund (DERF '03), Supplemental Funding for FY 2007, FY 2008, or N/A for all other funding.

**DERF '03:**

**Supplemental '06**

**Supplemental '07**

**Supplemental '08**

**N/A:**

**Treasury Code:** Identifies resources by type, organization and component. Select from the defined set of four to six-digit codes provided from the Comptroller.

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

**BACode:** The Budget Activity Code as defined by OUSD (Comptroller), in the Financial Management Regulation located in the “Publications” section of DefenseLink. [www.defenselink.mil/comptroller/fmr/](http://www.defenselink.mil/comptroller/fmr/)  
See Data Matrix

**Budget Line Item:** (Closed List) Provide the Activity Group (AG) and Sub-Activity Group (SAG) if the appropriation is O&M; the Project Number as used in the R2 report for RDT&E; Line Item if Procurement; Project Number if MilCon; and Activity Group (AG) N/A if Revolving funds. The list of Budget Line Item/Budget Line Item Name values is located on the PDR Info page of the SNaP website (<https://SNaP.PAE.OSD.MIL>).

**Resource Type:**

**Civilian Pay - Direct Hire Civilian:** Civilian Pay part of TOA in the identified PE that provides resources for the Direct Hire Civilians within the CbT Activity Group and Program Title.

**Civilian Pay - Foreign Direct Civilian:** Civilian Pay part of TOA in the identified PE that provides resources for the Foreign Direct Civilians within the CbT Activity Group and Program Title.

**Civilian Pay - Foreign Indirect Civilian:** Civilian Pay part of TOA in the identified PE that provides resources for the Foreign Indirect Civilians within the CbT Activity Group and Program Title.

**Contractor:** Number of Contractors designated as CbT in that CbT Activity Group, Program Title, and Program Element.

**Contractor Pay:** TOA portion of the identified PE that provides resources for contractor pay with the CbT Activity Group and Program Title.

**Direct Hire Civilian:** Number of Direct US civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

**Enlisted:** Report Enlisted end-strength carrying occupation codes designated as AT, CT, TCM, or INT at the individual occupational specialty code level for each CbT Activity Group, Program Title, and Program Element.

**Foreign Direct Civilian:** Number of Foreign Direct Civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

**Foreign Indirect Civilian:** Number of Foreign Indirect Civilians designated as CbT in that CbT Activity Group, Program Title, and Program Element

**Funding:** Identify funding for MILCON, Procurement, RDT&E, DWCF, and Revolving Funds

**MilPay - Enlisted:** Report funding for all Enlisted personnel carrying occupation codes designated as AT, CT, TCM, or INT for each CbT Activity Group, Program Title, and Program Element.

**MilPay - Officers:** Report funding for all Officers carrying occupation codes designated as AT, CT, TCM, or INT for each CbT Activity Group, Program Title, and Program Element.

**Officers:** Report Officer end-strength carrying occupation codes designated as AT, CT, TCM, or INT at the individual occupational specialty code level for each CbT Activity Group, Program Title, and Program Element.

**Other O&M:** Operations and Maintenance TOA portion of the identified PE that provides resources for the described program within the AT/FP activity (excludes Civilian Pay which will be reported separately)

**Quantity Procured:** Number in units of each piece of physical security equipment or Installation First Responder reported.

**Occupation Service:** Closed List. For defense agencies and field activities, identify the Service providing the manpower for Officer or Enlisted resource types. For the services, identify the service, defense agency or field activity the manpower is detailed to for Officer and Enlisted resource types. Select Civil Service for Direct Hire Civilian resource type. Select N/A for all other Resource Types.

**Air Force:**

**Army:**

**Civil Service:**

**Navy:**

**Marine Corps:**

**DHP**

HCbT 1 Combating Terrorism Activities Detail - SNaP Format (Continued)

**DTRA**

**NDU**

**OSD**

**SOCOM**

**TRANSCOM**

N/A

**Occupation Code:** Provide the occupational specialty code/civilian job series and title for all manpower (Officer, Enlisted, Direct Hire Civilian, Indirect Hire Civilian, Foreign Indirect Hire Civilian). For example: Civ 4804 Locksmith, Off 31A Military Police, or Enl 5822 Polygraph Examiner.

Occupation Codes are taken from the Defense Manpower Data Center (DMDC) DoD Occupation Database (ODB). The complete list of valid codes is available on the PDR info page of the SNaP website (<https://SNaP.PAE.OSD.MIL>)

**CONUS\_OCONUS:**

**CONUS:** Select CONUS for CONUS assets (Equipment, funding, personnel)

**OCONUS:** Select OCONUS for OCONUS assets.

**CONUS\_OCONUS Rationale:** Explain the methodology used to assign or derive the CONUS/OCONUS breakout.

**ReasonCode:** Select the reason necessitating the change to the data: PBD, PDM, Congressional Action or Other.

**Congressional Action:**

**Other:**

**PBD:**

**PDM:**

**Reason For Change:** If 'Other' was selected under ReasonCode, provide text explaining the reason for the change.

**PBD\_PDM\_Num:** Enter the PBD or PDM number that necessitated the change if applicable, else select N/A.

**PBD\_PDM\_Date:** Enter the date (Month and Year) of the PBD or PDM that necessitated the change if applicable, else select N/A.

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)

**CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)**

Class	Organization	CbTActivityRollupName
-------	--------------	-----------------------

Planned Activities	Reconciliation of Activities' Increases and Decreases (explanation for resource level changes)
--------------------	--

**Instructions**

Provide the name, division of organization, phone number, and email address of the individual responsible for the information contained in the planned activities and reconciliation for each CbTActivityRollupName.

**CbT 2 Definitions**

**Class:** System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

***U:*** UNCLASSIFIED

**Organization:** The POM reporting entities directed to submit this data requirement. For a complete list of organizations see by data requirement see Appendix A of the PDR.

**CbTActivityRollupName:** The name that all data will be aggregated to for the President's Budget Justification Book. Rollup supporting CbTActivityGroups to the CbTActivityRollupName as outlined in the Data Matrix below.

**Planned Activities:** Describe all activities planned for the budget year at the CbTActivityRollupName level of detail.

**Reconciliation of Activities' Increases and Decreases:** Explain any fiscal year to fiscal year changes in total program funding at the CbTActivityRollupName and appropriation level of detail.

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only) (Continued)

**CbT 2 Combating Terrorism Narrative – SNaP Format (Program/Budget Review Only)**

Class	Component	CbTActivityGroup	ProgramTitle	Description
-------	-----------	------------------	--------------	-------------

POCFirstName	POCLastName	POCDivision	POCPhone
--------------	-------------	-------------	----------

Instructions

- 1) Provide the Name, Division of Organization, Phone Number and email address of the Individual responsible for the information contained in the Program Title and Description. For each CbTActivityGroup and Program Title combination, provide a description of your program.

★CbT 2 (Program Budget) Definitions

**Class:** System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

*U:* UNCLASSIFIED

**Component:** Identifies the duty status for military service units and defense agencies.

*Active:*

*DADW:* Defense Area Defense Wide. Used by non-service defense agencies.

*Guard:*

*Reserve:*

**CbTActivityGroup:**

A specified grouping of activities and functions that describe the type of CbT effort within a CbT Category. Refer to the CbTCategory, CbTActivityRollupName, & CbTActivityGroup Relationship Matrix below.

**ProgramTitle:** Descriptive name of your program: associated with the PE's and the resources for the CbTActivityGroup.

**Description:** Description of the Program described by the PE's and the resources for the CbTActivityGroup.

**POCFirstName:** First Name of Program POC.

**POCLastName:** Last Name of Program POC.

**POCDivision:** Division within the Organization responsible for the Program.

**POCPhone:** Phone Number for Program POC

**POCEmail:** Email address for Program POC

CbT 2 Combating Terrorism Narrative – SNaP Format (PB Only)  
(Page 2 of 2)

CbT 1&amp;2: Data Matrix: CbTCategory, CbTActivityRollupName, CbBTActivityGroup Relationship

**CbT 1&2: Data Matrix: CbTCategory, CbTActivityRollupName, CbBTActivityGroup Relationship**

<b>CbTCategory</b>	<b>CbTActivityRollupName</b>	<b>CbBTActivityGroup</b>
Antiterrorism	Physical Security Equipment	Physical Security Equipment (PSE) Blast Mitigation
		(PSE) Communication
		(PSE) Explosive Detection
		(PSE) Barriers
		(PSE) Intrusion Detection
		(PSE) Personal Protection
		(PSE) Patrol Boats
		(PSE) Up-Armored HMMV
		(PSE) Commercial Heavy Armored Vehicles
		(PSE) Commercial Light Armored Vehicles
		(PSE) Improvised Explosive Device (IED) Defeat
		(PSE) Other Special Equipment
	Physical Security Site Improvements	Physical Security, Site Improvements
	Physical Security Management and Planning	Physical Security, Management and Planning
	Security Forces and Technicians	Physical Security, Security Forces and Technicians
	Law Enforcement	Physical Security, Law Enforcement
	Security and Investigative Matters	Security and Investigative Matters
	AT Research, Development, Test, and Evaluation	Antiterrorism (AT) R&D, Technical Support R&D
		AT R&D, Physical Security and Other R&D
		AT R&D, COTS Product/Technology Integration
Counterterrorism	Individual Counterterrorism (CT) Programs	Individual Counterterrorism (CT) Programs
	CT Research, Development, Test, and Evaluation	Counterterrorism (CT) R&D, Technical Support R&D
		CT R&D, COTS Product/Technology Integration
		CT R&D, Other CT R&D
Terrorism Consequence Management	Assistance to State and Local Authorities	Assistance to State and Local Authorities Medical Elements
		Assistance to State and Local Decontamination Elements
		Assistance to State and Local Reconnaissance Elements

<b>CBTCategory</b>	<b>CbTActivityRollupName</b>	<b>CBTActivityGroup</b>
	Weapons of Mass Destruction Civil Support Teams	Assistance to State and Local Weapons of Mass Destruction Civil Support Teams
	Consequence Management Response	Chemical and Biological Installation Protection (CBIP)
		Chemical, Biological, Radiological, Nuclear (CBRN) Defense
		Installation First Response Preparedness
		Installation First Response Preparedness - Detectors
		Installation First Response Preparedness - Firetrucks
		Installation First Response Preparedness - Haz Mat Suits
		Installation First Response Preparedness - Personal Protective Equipment for First Responders
		Installation First Response Preparedness - Sensors
		Installation First Response Preparedness - Thermal Imagers
		Special Response Units (SRU) US Army
		SRU Special Medical Augmentation Response Team (SMART)
		SRU US Marine Corps Chem/Bio Incident Response Force (CBIRF)
	TCM Research, Development, Test, and Evaluation	DARPA Biological Warfare Defense Program
		CM R&D, COTS Product/Technology Integration
		CM R&D, Other R&D
		Consequence Management (CM) R&D, Technical Support R&D
Intelligence Related Support	Counterintelligence	Counter-Intelligence
	IR Research, Development, Test, and Evaluation	Intelligence Related (IR) R&D, Technical Support R&D
		IR R&D, COTS Product/Technology Integration
		IR R&D, Other R&D

## Combating Terrorism Supporting Detail Definitions

- 1) Antiterrorism: those defensive measures taken to reduce vulnerability to terrorist attacks.

## Physical Security

**Physical Security Equipment (PSE):** Any item, device, or system that is used primarily for the protection of assets, personnel, information for facilities, to include alarms, sensors, protective lighting and their control systems and the assessment of the reliability, accuracy, timeliness and effectiveness of those systems, such as (but not limited to): Exterior surveillance and/or intrusion detection systems; lighting systems; access controls and alarms systems; residential security equipment; equipment for executive protection, to include added doors, increased ballistic protection at offices and residences, personal body armor, armored vehicles, and detection devices.

**Blast Mitigation** Consists of (but not limited to):

- 1) Fragmentation reduction film, blast walls, etc
- 2) Explosive containers

**Communication** Consists of (but not limited to):

- 1) Personnel Alerting Systems
- 2) Pagers & Radios
- 3) Databases and assessment tools

**Explosive Detection** Consists of (but not limited to):

- 1) Portable & non portable detectors
- 2) Under Vehicle Surveillance Systems
- 3) Canine systems

**Barriers** Consists of (but not limited to):

- 1) Passive (cable reinforced fences, planters, jersey barriers, shrubs, trees, berms ditches, and inflatable booms)
- 2) Active (bollards, drums & sliding gate, cable beam)

**Intrusion Detection** Consists of (but not limited to):

- 1) Wide Area Security and Surveillance Systems
- 2) Detection devices (thermal, spectral, mechanical, etc)
- 3) Special lighting
- 4) Biometrics
- 5) Sensors

**Personal Protection** Consists of (but not limited to):

- 1) Body Armor
- 2) Personnel protective equipment
- 3) Unarmored Vehicles/Sedans

## Patrol Boats

## Up-Armored HMMWV

## Commercial Heavy Armored Vehicles

## Commercial Light Armored Vehicles

## Improvised Explosive Device (IED) Defeat



Combating Terrorism Supporting Detail Definitions (Continued)

**Other Special Equipment: Specify Equipment Type.** This is a required field and must be entered through the data management segment of SNaP prior to entering program details. Add equipment types to the CBTActivityGroup pick list. With format of (PSE) Other Special Equipment: <Equipment Type>.

**Physical Security Site Improvements:** Any facility improvements (or increment of improvements) (using O&M or MILCON funding) or new construction (or increment of new construction) that is for the purpose of the physical protection of assets, personnel or information. These include walls, fences, barricades or other fabricated or natural impediments to restrict, limit, delay or deny entry into a Defense installation or facility, such as (but not limited to):

- 1) Primary facility modification/features such as special structural improvements to walls, doors, windows, ceilings, etc; interior barriers; or include any land acquisition for standoff distances)
- 2) Supporting facility modification features such as site improvements in fencing, perimeter/area lighting, blast mitigation barriers, vehicle barriers, special landscaping)
- 3) Safe havens
- 4) Evacuation facilities
- 5) Surveillance platforms

**Physical Security Management and Planning:** Personnel who manage physical security programs, resources, and assets such as but not limited to headquarters staff. CINC headquarters staff elements performing such functions should also be reported here.

**Security Forces and Technicians:** All personnel and operating costs associated with protective forces used to safeguard assets, personnel or information, to include (but not limited to) salaries overtime, benefits, materials and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to):

- 1) Dedicated response forces and security forces
- 2) Locksmiths
- 3) Perimeter, installation or facility access control
- 4) Inspection and maintenance of barriers and security system components
- 5) Antiterrorism training for security forces
- 6) Antiterrorism awareness programs and training

**Law Enforcement:** All personnel and operating costs associated with law enforcement, to include but not limited to salaries, overtime, benefits, material and supplies, equipment and facilities, vehicles, helicopters, training, communications equipment, and management, such as (but not limited to):

- 1) Response forces
- 2) Military police
- 3) Protective service details, including advance work

**Security and Investigative Matters:** Includes Defense criminal investigative resources, security and intelligence activities, and any cross-discipline security functions which do not easily fit into other security categories, such as (but not limited to):

- 1) Terrorism Investigations
- 2) Executive antiterrorism training
- 3) Surveillance and counter-surveillance teams
- 4) Protective service details, including advance work

Combating Terrorism Supporting Detail Definitions (Continued)

- 5) Route surveys
- 6) Antiterrorism awareness programs and training

Antiterrorism R&D: Includes any RDT&E resources expended in the area of antiterrorism, showing the program and purpose

**Antiterrorism (AT) Technical Support R&D**

**Physical Security and Other R&D**

**AT COTS Product/Technology Integration**

- 2) Counterterrorism: Offensive measures taken to prevent, deter and respond to terrorism

**Individual CT programs**

Counterterrorism R&D- Includes any RDT&E resources expended in the area of counterterrorism showing the program and purpose.

**Counterterrorism (CT) Technical Support R&D**

**CT COTS Product/Technology Integration**

**Other CT R&D**

- 3) Terrorism Consequence Management: Preparation for and response to the consequences of a terrorist incident/event

**Chemical and Biological Installation Protection (CBIP):** Include all costs and personnel (\$ and End Strength/FTE's) associated with these activities including procurement of equipment.

**CBRN Defense:** Include all costs and personnel (\$ and End Strength/FTEs) associated with these activities. Also include the quantity of equipment procured of all CBRN assets.

Assistance to State and Local Authorities: The employment of DoD assets and expertise to assess suspected nuclear, biological, chemical, or radiological event in support at the local or state authority. DoD assets to be reported include:

**Weapons of Mass Destruction Civil Support Teams**

**Decontamination Elements**

**Reconnaissance Elements**

**Medical Elements**

**Special Response Units US Army**

**US Marine Corps Chem/Bio Incident Response Force (CBIRF)**

**Special Medical Augmentation Response Team (SMART)**

**Installation First Response Preparedness:** As a new initiative for FY 2001, the Services were directed to develop requirements, train personnel, and procure equipment for first response preparedness at DoD installations and facilities. These initiatives will be reported here, above the baseline. Include and itemize all equipment procurement for: fire trucks, thermal imagers, sensors, detectors, and haz mat suits. Also include ALL personnel (\$ and end strength/FTE's) associated with these activities.

Consequence Management R&D: Includes any RDT&E resources expended in the area of CbT Terrorism Consequence Management showing the program and purpose.

**Consequence Management (CM) Technical Support R&D**

**CM COTS Product/Technology Integration**

Combating Terrorism Supporting Detail Definitions (Continued)

### Other CM R&D

**DARPA Biological Warfare Defense Program:** That portion dedicated to domestic terrorism consequence management. Applied research program to develop and demonstrate technologies to thwart the use of biological warfare agents (including bacterial, viral, and bioengineered organisms and toxins) by both military and terrorist opponents (against US assets at home and abroad). That portion dedicated to domestic terrorism consequence management is reported here. DARPA's primary strategy for accomplishing this goal is to create technologies applicable to broad classes of pathogens and toxins. Projects include:

- 1) real-time environmental sensing
- 2) external protection (including novel methods of protection, air and water purification, and decontamination)
- 3) consequence management tools
- 4) advanced medical diagnostics for the most virulent pathogens and their molecular mechanisms
- 5) pre- and post-exposure medical countermeasures
- 6) pathogen genome sequencing

4) **Intelligence Related Support:** Collection and dissemination of terrorism-related information taken to oppose terrorism throughout the entire threat spectrum to include terrorist use of WMD and/or high explosives. This category will only be reported in the combating terrorism formats during the Program/Budget Review data collection cycle – not during the President's Budget data collection.

**Counter-Intelligence:** All Army and Marine Corps tactical counterintelligence resources and all Army Security and Intelligence Activities CI resources will be reported in this tab. The Counterintelligence Field Activity will report CIFA resources that directly support force protection/combating terrorism activities. Counterintelligence is considered to include (but is not limited to ) activities such as:

- 1) Terrorism Investigations
- 2) Surveillance and counter-surveillance teams
- 3) CI Terrorism analysis and production
- 4) Force protection source operations
- 5) Threat assessments
- 6) CI Terrorism collection
- 7) Route surveys
- 8) Intelligence staff support to deployed task forces

**Intelligence Related R&D:** Includes any DoD MIP RDT&E resources expended in the area of CbT Intelligence Related Support (counter-intelligence), showing the program and purpose.

**Intelligence Related (IR) Technical Support R&D/IR COTS Product/Technology Integration**

**Intelligence Related (IR) Technical Support R&D/Other IR R&D**

### CATEGORIES NOT TO BE REPORTED IN COMBATING TERRORISM DETAIL:

Intelligence - Not reported in this TAB: NIP or MIP funding and personnel, such as (but not limited to):

- Terrorism collection (generally HUMINT, possibly SIGINT)
- Terrorism analysis and production (excluding CI)
- Terrorism watch centers

Combating Terrorism Supporting Detail Definitions (Continued)

- Terrorism indications and warning
- Intelligence staff support to deployed task forces

The Director, National Intelligence will report related intelligence support in accordance with the PPI, Section one, Part V, “Data Formatting and Economic Instructions,” “Intelligence Programs” as part of the NIP instructions.

Information Assurance - Not reported in this Section: Includes assuring readiness, reliability, and continuity of information assets, systems, networks, and their functions, protecting information systems against penetration/exploitation, providing the means to re-establish vital information system capabilities effectively and efficiently. Examples include Computer Emergency Response Teams (CERTs), and computer network security “fire walls.”

Counterproliferation - Not reported in this format: Chem/Bio Defense Program and WMD.

Combating Terrorism Supporting Detail Definitions  
(Page 5 of 5)

HCbT 3 Vulnerability Assessments (Program/Budget Review Only)

**HCbT 3 Vulnerability Assessments (Program/Budget Review Only)**

Class	CountryCode	State	Component	AssessmentDetail
-------	-------------	-------	-----------	------------------

FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
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## (4) Instructions

- 1) Report only those assessments addressing DoD standard 26, E3.1.1.26.4-.7 higher headquarters vulnerability assessments. Note that the standard requires an assessment of all installations at least once every three-(3) years.
- 2) Provide by country code and component the total number of installations.
- 3) DoDEA will report this information for all schools located off post.
- 4) Provide by country code and component the number of installations that contain family housing, VIP Housing, and or DoDES facilities. These will not add up to total installations.
- 5) Provide by country code and component the cost and number of assessments planned for future years and conducted in the prior and current years.
- 6) Provide total military, civilian and contractor manpower required to conduct assessments.
- 7) TOA is entered in dollars thousands (\$000).
- 8) Military personnel are entered as End strength and Civilians and Contractors as FTEs.
- 9) See Appendix A for reporting requirements for your organization.

## CbT 3 Definitions

**Class:** System Field: Classification. **All information for this exhibit must be submitted at the unclassified level on the unclassified network.**

**U:** UNCLASSIFIED

**CountryCode:** (Closed List)

AF	Afghanistan
AL	Albania
AG	Algeria
AN	Andorra
AO	Angola
AC	Antigua and Barbuda
AR	Argentina
AM	Armenia
AS	Australia
AU	Austria
AJ	Azerbaijan

BF	Bahamas, The
BA	Bahrain
BG	Bangladesh
BB	Barbados
BO	Belarus
BE	Belgium
BH	Belize
BN	Benin
BT	Bhutan
BL	Bolivia
BK	Bosnia and Herzegovina
BC	Botswana
BR	Brazil
BX	Brunei
BU	Bulgaria
UV	Burkina Faso
BM	Burma
BY	Burundi
CB	Cambodia
CM	Cameroon
CA	Canada
CV	Cape Verde
CT	Central African Republic
CD	Chad
CI	Chile
CH	China
CO	Colombia
CN	Comoros
CF	Congo (Brazzaville)
CG	Congo (Kinshasa)
CS	Costa Rica
IV	Côte d'Ivoire
HR	Croatia
CU	Cuba
CY	Cyprus
EZ	Czech Republic

HCbT 3 Vulnerability Assessments (Program/Budget Review Only) (Continued)  
(Page 2 of 8)

DA	Denmark
DJ	Djibouti
DO	Dominica
DR	Dominican Republic
TT	East Timor
EC	Ecuador
EG	Egypt
ES	El Salvador
EK	Equatorial Guinea
ER	Eritrea
EN	Estonia
ET	Ethiopia
FJ	Fiji
FI	Finland
FR	France
GB	Gabon
GA	Gambia, The
GG	Georgia
GM	Germany
GH	Ghana
GR	Greece
GJ	Grenada
GT	Guatemala
GV	Guinea
PU	Guinea-Bissau
GY	Guyana
HA	Haiti
VT	Holy See
HO	Honduras
HU	Hungary
IC	Iceland
IN	India
ID	Indonesia
IR	Iran
IZ	Iraq
EI	Ireland

IS	Israel
IT	Italy
JM	Jamaica
JA	Japan
JO	Jordan
KZ	Kazakhstan
KE	Kenya
KR	Kiribati
KN	Korea, North
KS	Korea, South
KU	Kuwait
KG	Kyrgyzstan
LA	Laos
LG	Latvia
LE	Lebanon
LT	Lesotho
LI	Liberia
LY	Libya
LS	Liechtenstein
LH	Lithuania
LU	Luxembourg
MK	Macedonia
MA	Madagascar
MI	Malawi
MY	Malaysia
MV	Maldives
ML	Mali
MT	Malta
RM	Marshall Islands
MR	Mauritania
MP	Mauritius
MX	Mexico
FM	Micronesia, Federated States of
MD	Moldova
MN	Monaco
MG	Mongolia



MO	Morocco
MZ	Mozambique
WA	Namibia
NR	Nauru
NP	Nepal
NL	Netherlands
NZ	New Zealand
NU	Nicaragua
NG	Niger
NI	Nigeria
NO	Norway
MU	Oman
PK	Pakistan
PS	Palau
PM	Panama
PP	Papua New Guinea
PA	Paraguay
PE	Peru
RP	Philippines
PL	Poland
PO	Portugal
QA	Qatar
RO	Romania
RS	Russia
RW	Rwanda
SC	Saint Kitts and Nevis
ST	Saint Lucia
VC	Saint Vincent and the Grenadines
WS	Samoa
SM	San Marino
TP	Sao Tome and Principe
SA	Saudi Arabia
SG	Senegal
YI	Serbia and Montenegro
SE	Seychelles
SL	Sierra Leone

SN	Singapore
LO	Slovakia
SI	Slovenia
BP	Solomon Islands
SO	Somalia
SF	South Africa
SP	Spain
CE	Sri Lanka
SU	Sudan
NS	Suriname
WZ	Swaziland
SW	Sweden
SZ	Switzerland
SY	Syria
TI	Tajikistan
TZ	Tanzania
TH	Thailand
TO	Togo
TN	Tonga
TD	Trinidad and Tobago
TS	Tunisia
TU	Turkey
TX	Turkmenistan
TV	Tuvalu
UG	Uganda
UP	Ukraine
AE	United Arab Emirates
UK	United Kingdom
US	United States
UY	Uruguay
UZ	Uzbekistan
NH	Vanuatu
VE	Venezuela
VM	Vietnam
YM	Yemen
ZA	Zambia

ZI            Zimbabwe

**State:** (Closed List)

***AK:*** ALASKA  
***AL:*** ALABAMA  
***AR:*** ARKANSAS  
***AZ:*** ARIZONA  
***CA:*** CALIFORNIA  
***CO:*** COLORADO  
***CT:*** CONNECTICUT  
***DC:*** DISTRICT OF COLUMBIA  
***DE:*** DELAWARE  
***FL:*** FLORIDA  
***GA:*** GEORGIA  
***HI:*** HAWAII  
***IA:*** IOWA  
***ID:*** IDAHO  
***IL:*** ILLINOIS  
***IN:*** INDIANA  
***KS:*** KANSAS  
***KY:*** KENTUCKY  
***LA:*** LOUISIANA  
***MA:*** MASSACHUSETTS  
***MD:*** MARYLAND  
***ME:*** MAINE  
***MI:*** MICHIGAN  
***MN:*** MINNESOTA  
***MO:*** MISSOURI  
***MS:*** MISSISSIPPI  
***MT:*** MONTANA  
***NA:*** Not Applicable  
***NC:*** NORTH CAROLINA  
***ND:*** NORTH DAKOTA  
***NE:*** NEBRASKA  
***NH:*** NEW HAMPSHIRE  
***NJ:*** NEW JERSEY  
***NM:*** NEW MEXICO  
***NV:*** NEVADA  
***NY:*** NEW YORK  
***OH:*** OHIO

**OK:** OKLAHOMA  
**OR:** OREGON  
**PA:** PENNSYLVANIA  
**RI:** RHODE ISLAND  
**SC:** SOUTH CAROLINA  
**SD:** SOUTH DAKOTA  
**TN:** TENNESSEE  
**TX:** TEXAS  
**UT:** UTAH  
**VA:** VIRGINIA  
**VT:** VERMONT  
**WA:** WASHINGTON  
**WI:** WISCONSIN  
**WV:** WEST VIRGINIA  
**WY:** WYOMING

**Component:** Identifies the duty status for military service units and defense agencies.

***Active:***

***DADW:*** Defense Area Defense Wide. Used by non-service defense agencies.

***Guard:***

***Reserve:***

**AssessmentDetail:** (Closed List)

***Assessment Capability:*** Number of Installations that can be assessed with the current teams.

***Assessments Conducted:*** Number of assessments conducted by country for 200–5-2006.

***Assessments Planned:*** Number of assessments planned by country for 2007-2013.

***Civilian FTEs:*** Number of civilian personnel conducting assessments.

***Contractor FTEs:*** Number of contractor personnel conducting assessments.

***Installations with DoDES Facilities:***

***Installations with Family Housing:***

***Installations with VIP Housing:***

***Military End-Strength:*** Number of military personnel conducting assessments.

***TOA:*** Total funding programmed to conduct vulnerability assessments by country code.

***Total Installations:*** Total number of installations by component by country should be obtainable from the Installation Summary.

MRTFB 1 Installation Financial Summary

**DoD Component  
(MRTFB Activity Title) Financial Summary**

(\$ Thousands)

<u>Funding Source</u>	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>
<b>Total Institutional Funding:</b> (Header Only)					
<b>Institutional Funding PE (_____) Total</b>					
In-House Effort					
Contractor Effort					
Military Personnel (Institutional and Direct)					
<b>Total Institutional and Military Personnel Funding</b>					
<b>Direct (User Funding)</b> (Header Only)					
Parent Service					
Other DoD					
Other U.S. Government					
FMS					
Foreign Government					
Commercial					
<b>Total Customer Direct Funding</b>					
Support to Training (Non-Add)					
Other Non T&E MRTFB Customer (Specify) (Non-add)					
<b>Total Non-T&amp;E Customer Direct (Non-add)</b>					
<b>Total Institutional and MilPers, and Direct</b>					
<b>Other Funds - T&amp;E Mission</b> (Header Only)					
T&E BOS					
T&E Mission SRM (Sustainment)					
T&E Mission SRM (Restoration & Modernization)					
Military Construction (MILCON)					
Minor Construction					
BRAC					
Improvement & Modernization (Total from Exhibit 3)					
Other Funds applicable to the Test Mission (Specify PE)					
(Add lines as required to identify additional PE's)					

(MRTFB Activity Title) Financial Summary  
(Page 1 of 2)

MRTFB 1 Installation Financial Summary (Continued)

**Sub-Total Other T&E Mission****Other Funds - Non-T&E Mission**      *(Header Only)*

(Add lines as required to identify additional PE's)

**Sub-Total Other Non-T&E  
Mission****Total MRTFB Activity**

Exhibit 1-Financial Summary

MRTFB 2a Institutional Funding Element of Expense Listing

## DOD Component

## (MRTFB Activity Title) Institutional Funding Element of Expense Listing

(\$ Thousands)

<b>DODEE</b>	<b>Description</b>	<b><u>FY PY-1</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>	<b><u>FY BY+1</u></b>
	Military Personnel					
01	Civilian Pay					
02	Travel of Persons					
03	Transportation of Things					
04/05	Utilities/Rental/Leases					
06	Communications					
07	Printing/Reproduction					
09	Purchased Equipment Maintenance					
10	Periodic Depot Level Maintenance (PDM)					
13	Other Purchased Services					
13a	Facility Projects (non add)					
13b	Critical Space Operations (non-add)					
14	Aircraft POL (flying)					
16	Other Supplies					
16a	Fuels (other than flying) (non-add)					
16b	Depot Level Repairable (DLR) (non-add)					
17	Purchased Equipment					
18	Other					
<b>Total Institutional Funding</b>						

MRTFB 2a Direct Funding Element of Expense Listing (Continued)

**DOD Component**  
**(MRTFB Activity Title) Direct Funding Element of Expense Listing**

(\$ Thousands)

DODEE	Description	<u>FY PY-1</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY</u>	<u>FY BY+1</u>
	Military Personnel					
01	Civilian Pay					
02	Travel of Persons					
03	Transportation of Things					
04/05	Utilities/Rental/Leases					
06	Communications					
07	Printing/Reproduction					
09	Purchased Equipment Maintenance					
10	Periodic Depot Level Maintenance (PDM)					
13	Other Purchased Services					
13a	Facility Projects (non add)					
13b	Critical Space Operations (non-add)					
14	Aircraft POL (flying)					
16	Other Supplies					
16a	Fuels (other than flying) (non-add)					
16b	Depot Level Repairable (DLR) (non-add)					
17	Purchased Equipment					
18	Other					
	<b>Total Direct Funding</b>					

Exhibit 2a-Element of Expense



MRTFB 2b Schedule of Increases and Decreases

**DOD Component****(MRTFB Activity Title) Schedule of Increases and Decreases  
(\$ Thousands)**

		<b><u>FY PY-1</u></b>	<b><u>FY PY</u></b>	<b><u>FY CY</u></b>	<b><u>FY BY</u></b>	<b><u>FY BY+1</u></b>
<b>1. FY PY-1 to FY PY</b>						
a.	(Description/justification of increase and decrease)					
b.						
c.						
etc.						
<b>2. FY PY to FY CY</b>						
a.	(Description/justification of increase and decrease)					
b.						
c.						
etc.						
<b>3. FY CY to FY BY</b>						
a.	Inflation					
b.	Civilian pay raise					
c.	(Description/justification of increase and decrease)					
etc.						
<b>4. FY BY to FY BY+1</b>						
a.	Inflation					
b.	Civilian pay raise					
c.	(Description/justification of increase and decrease)					
etc.						

Exhibit 2b-Schedule of Increases and Decreases

MRTFB 2c Workyears

DOD Component

(MRTFB Activity Title) Workyears

CATEGORY	FY PY-1				FY PY				FY CY				FY BY				FY BY+1			
	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT	INST	DIR	OTH	TOT
Military																				
Officer																				
Enlisted																				
Civilian																				
Contractor																				
Total																				

Narrative Section:

MRTFB Source of Direct Funds

		<b>DOD Component</b>				
		<b>(MRTFB Activity Title) Source of Direct Funds</b>				
		<b>(\$ Thousands)</b>				
		<u><b>FY PY-1</b></u>	<u><b>FY PY</b></u>	<u><b>FY CY</b></u>	<u><b>FY BY</b></u>	<u><b>FY BY+1</b></u>
<b>A. DIRECT FUNDING - CUSTOMER</b>						
<b>1. PARENT SERVICE</b>						
<u><b>Appn</b></u>	<u><b>BAC</b></u>	<u><b>PE</b></u>	<u><b>Title</b></u>			
<b>RD&amp;E</b>						
	(List customers)					
	<b>BAC Total</b>					
	<b>RD&amp;E Total</b>	<hr/>				
<b>Operation &amp; Maintenance</b>						
	(List customers)					
	<b>BAC Total</b>					
	<b>Operation &amp; Maintenance Total</b>	<hr/>				
<b>Procurement Appropriations</b>						
(List	customers	with	subtotal	by		
	appropriation)					
	<b>Procurement Appropriation Total</b>	<hr/>				
<b>Other Appropriations</b>						
(List	customers	with	subtotal	by		
	appropriation)					
	<b>Other Appropriation Total</b>	<hr/>				
<b>TOTAL PARENT SERVICE</b>						
<hr/>						

(MRTFB Activity Title) Source of Direct Funds (Continued)

(Page 1 of 3)

**2. OTHER DOD (Identify Service or OSD)**ServiceAppropriation

(List customers)

Appropriation Total

Service Total

TOTAL OTHER DOD

**3. OTHER U.S. GOVERNMENT**

(List Agencies)

TOTAL OTHER U.S. GOVERNMENT

**4. FOREIGN MILITARY SALES**

(List country or program)

TOTAL FOREIGN MILITARY SALES

**5. FOREIGN GOVERNMENT**

(List country or program)

TOTAL FOREIGN GOVERNMENT

(MRTFB Activity Title) Source of Direct Funds (Continued)  
(Page 2 of 3)

**6. COMMERCIAL**

(List company or program)

**TOTAL COMMERCIAL** \_\_\_\_\_**TOTAL CUSTOMER DIRECT FUNDING** \_\_\_\_\_**B. DIRECT FUNDING - NON-CUSTOMER**

(List types)

**TOTAL NON-CUSTOMER DIRECT FUNDING** \_\_\_\_\_(MRTFB Activity Title) Source of Direct Funds (Continued)  
(Page 3 of 3)

MRTFB Improvement and Modernization (I&amp;M) Projects Summary

**DOD Component****(MRTFB Activity Title) I&M Summary****Improvement and Modernization Projects  
(\$Thousands)**

<b>Appn</b>	<b>PE</b>	<b>Project Title</b>	<b>Total Est. Cost</b>	<b>Prior Years</b>	<b>FY PY-1</b>	<b>FY PY</b>	<b>FY CY</b>	<b>FY BY</b>	<b>FY BY+1</b>	<b>Cost To Complete</b>
		(List Projects)								
<b>SUBTOTAL</b>										
<b>TOTAL I&amp;M</b>										

\* Asterisk indicates the project meets threshold required for submission of a Quad chart

Exhibit 3a-I&amp;M Summary

MRTFB Improvement and Modernization (I&amp;M) Listings Military Construction and BRAC

**DOD Component****(MRTFB Activity Title) I&M Listings****Military Construction and Base Realignment and Closure Projects  
(\$ Thousands)****MILCON  
PROJECTS**

<u>Appn</u>	<u>PE</u>	<u>Title</u>	<u>Programmed FY</u>	<u>Est Cost at Complete</u>	<u>Programmed Funds</u>
<b>Funded Projects:</b>					
(List projects)					
<b>Total Funded MILCON Projects</b>					
<b>Planned Projects:</b>					
(List projects)					
<b>Total Panned MILCON Projects</b>					

Exhibit 3a-I&M Listing  
(Page 1 of 2)

MRTFB Activity Title Improvement and Modernization (I&amp;M) Listings Military Construction and BRAC (Continured)

**BRAC PROJECTS**

<u>Appn</u>	<u>PE</u>	<u>Title</u>	<u>Programmed FY</u>	<u>Est Cost at Complete</u>	<u>Programmed Funds</u>
Funded Projects:					
(List projects)					
Total Funded BRAC Projects					

Exhibit 3b-MILCON &amp; BRAC



**INSTRUCTIONS FOR MAJOR RANGE AND TEST FACILITY BASE (MRTFB) BUDGET EXHIBITS****MRTFB-1 FINANCIAL SUMMARY**

The MRTFB-1 is the basic, central exhibit for the Major Range Test Facility Base program and budget review submission. All other exhibits are related to this exhibit. The MRTFB-1 reflects total funds from all sources to be expended at each MRTFB activity. The instructions for preparation and definitions are in the following paragraphs. For each line entry, a fully comparable figure will be entered in each of the five columns.

The amounts reflected in the institutional entries are to be directly related to those amounts included in the appropriation submission of budget estimates to OSD/OMB.

**Definitions and Instructions:**

Total Institutional Funding - This line is for header purposes only and denotes the section dealing with the institutional funds that support the MRTFB activity's mission.

Institutional (P.E. \_\_\_\_\_) - Denotes the funding which each Component provides directly to the activity for ongoing effort which cannot be ascribed to users of the activity. The financing program element number is to be entered in the parenthesis.

In-House Effort - The amount of the activity's T&E Institutional funding which is devoted to supporting efforts conducted by government personnel at the activity.

Contractor Effort - The amount of Institutional funding expended by any contractor in support of the activity's mission, either on-site or elsewhere.

Military personnel - Denotes the cost of the Military Personnel who are primarily assigned to the MRTFB activity for institutional and direct user support activities. This line does not include costs for Military Personnel assigned to non-T&E mission work.

Total Institutional and Military Personnel Funding - This line is the total of institutional funding, both-in-house and contractor, plus the cost of the Military Personnel which are assigned to the MRTFB activity for institutional and direct user support activities.

Direct (User Funding) - This line is for header purposes only, to denote the section dealing with funds received from customers for MRTFB activity mission efforts.

Parent Service - Funds that come to the activity from users who are from within the same service but distinguished from the institutional funds.

Other DoD - Funds from customers within DoD but not from the same service as the activity.

Other U.S. Government - Funds from other U.S. Government customers outside the DoD

Foreign Military Sales (FMS) - Funds received from FMS cases.

Foreign Government - Funds from foreign governments for other than FMS cases.

Commercial - Funds received from commercial customers, including DoD contractors that do not have a DoD program sponsor.

Support to Training (Non-add) – Customer funds from any source received by the activity to support any DoD training mission. These funds are reflected in the Total Customer Direct Funding line and are reflected here separately as a non-add line item only.

Other Non-T&E Support (Non-add) – Any other customer funds besides support to training that do not result in T&E work. The specific category of support should be reported if the funding level exceeds \$1 million dollars in any given fiscal year. These funds are reflected in the Total Customer Direct Funding line and are reflected here separately as a non-add line item only.

Total Institutional, Military Personnel and Direct - The sum of the amounts in the Total Institutional, Military Personnel and Total Direct lines.

Other Funds-T&E Mission – This line is for header purposes only and denotes the section dealing with funding that directly supports the T&E mission but which is not included in the institutional, direct and military personnel items elsewhere on the exhibit. Additional lines may be added as required to identify all funds that directly support the T&E mission. The intent is to accurately reflect funds received from all sources to support the MRTFB’s overall T&E mission and to facilitate comparability across the Services. If additional categories are required to reflect the total “institutional” funding that is required for the activity, such as Environmental Compliance, additional lines should be added.

T&E Base Operating Support (BOS) – Funds for T&E base operating support costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry.

T&E Mission SRM (Sustainment) – Funds for T&E sustainment costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry.

T&E Mission SRM (Restoration and Modernization) – Funds for T&E restoration and modernization costs. Do not include costs already identified in the MRTFB institutional funding line above. Provide the program element number for each entry. Do not include restoration and modernization costs paid from the Improvement and Modernization funding lines.

Military Construction (MILCON) – Total of MRTFB MILCON projects from Exhibit 3-b.

Minor Construction – Total of minor construction projects. Minor construction is defined as projects totaling \$750K or less.

Base Re-alignment and Closure (BRAC) – Total of MRTFB BRAC projects from Exhibit 3-b.

Improvement and Modernization (I&M) – Total funding provided to the MRTFB activity for improvement and modernization efforts. Do not include costs already identified in the MRTFB institutional funding line above.

Other Funds Applicable to the T&E Mission – Any other funding received by the MRTFB for costs associated with the MRTFB T&E mission.

Other Funds – Non-T&E Mission – This line is for header purposes only and denotes the section dealing with any other funding received by the MRTFB for efforts not identified in previous categories. Report individual activities by PE, purpose, and amount.

Total MRTFB Activity – The sum of the amounts in the Total Institutional, Military Personnel and Direct line, Other Funds – T&E Mission line, and Other Funds – Non-T&E Mission line.

#### **MRTFB-2a, ELEMENT OF EXPENSE LISTING**

For the Total Institutional and Direct funds entered on MRTFB-1 Exhibit, Financial Summary, provide a breakout by element of expense. The cost of Military Personnel should reflect the Full Time Equivalent (FTE's) military personnel cost associated with the T&E mission. The sum of the institutional and direct military personnel costs should equal the total on the MRTFB-1, Military Personnel line.

#### **MRTFB-2b, SCHEDULE OF INCREASES AND DECREASES**

Provide a several sentence description/justification of each increase and/or decrease, covering year-to-year changes in the total institutional funding entry on the MRTFB-1 Exhibit. Changes should address any financial increase or decrease that exceeds \$500 thousand. There may be more than one increase or decrease to any or all entries on the MRTFB-1. Separately identify inflation and civilian pay increases. Identify any changes in T&E capability regardless of the amount of funding, to include elimination of any facilities, moth balling, etc.

#### **MRTFB-2c, WORKYEARS**

Submit a numerical summary of military, civilian, and contractor Full Time Equivalent (FTE) workyears. Civilian and contractor workyears should be divided into those that are institutionally funded and those that are reimbursed by direct user funding. Military workyears should also be reported in the category of work that is supported whether the workyears are reimbursed or not from direct users, i.e. military workyears used to perform T&E customer work should be shown as direct workyears.

The workyears reported in the Institutional category should reflect only those workyears funded from the institutional program element of the MRTFB. Workyears funded by "Other Funds – T&E Mission", such as BOS and SRM, should be reported as "Other" workyears. Workyears funded by sources identified on the MRTFB-1 as "Non-T&E Support Direct" should not be reported in this exhibit.

Changes in workyears between fiscal years that exceed 10 percent in any category should be addressed in the narrative section of this exhibit.

#### **MRTFB-2d, SOURCE OF DIRECT FUNDS**

Identify by major program, the source of the Direct Funds contained in MRTFB-1, Direct User Funding.

For Direct Funding – Customer, provide the following breakout: For the parent service RDT&E and O&M funds, the Program Element, title, Budget Activity Code (BAC), and appropriation descriptors must be provided. For Parent Service procurement appropriations, provide a list of customers greater than \$1M for any FY and group smaller customers at the appropriation level. For Other DoD, provide a list of customers by appropriation and Service. For Other U.S. Government, provide a list of customers by Agency. For FMS and Foreign Government, provide a list of customers by country/program and for Commercial, provide a list of customers by company or program. This section should reflect both test and non-test customer funds.

For Direct Funding – Non-Customer, provide a one-line summary by type of funding. Include Direct funding that is not customer related such as inter-organizational miscellaneous reimbursements as well as pass-through and transfers sent off the MRTFB. This section is not reflected on MRTFB-1.

For unidentified workload, enter estimates of Unidentified Workload in the appropriation (for RDT&E include data by budget activity) that best reflect historical workload. It is acceptable to group small efforts into one multiple line item, but groupings funded by Parent Service appropriations should not exceed ten percent of any category

#### **MRTFB-3a, IMPROVEMENT & MODERNIZATION SUMMARY**

Provide a project level listing covering fiscal years from PY-1 through the BY+1. For projects that extend beyond the BY+1, include the cost to complete. Ensure that the exhibit includes all improvement and modernization (I&M) anticipated for the activity, whether the funding source is institutional, the parent Service T&E program element(s), customer funding or CTEIP funding.

Report all I&M projects, regardless of funding source, which exceed \$200 thousand in any single fiscal year or \$1 million cumulatively. List each project by appropriation and program element.

For any project exceeding \$1 million in any year or cumulative funding of \$5 million, including the projects not funded, provide summary data that includes potential benefits, cost savings and capability improvements in the form of a quad chart. Use an asterisk to indicate the projects meeting this threshold on the total project-level listing. Quad charts should include the following detail:

Project Title:

(1) Description - Concise description of what is to be acquired, where it will be located, its relationship to other upgrades at this facility or other DoD facilities. Identify whether the effort is required to provide an enhanced capability or whether it modernizes an existing capability.

(2) Requirements/Payoffs - Specify the operational requirement being addressed by the project. If it is required to provide an enhanced capability, list the programs that will benefit and provide the required operating date. If required as an improvement to an existing capability, provide a payback date and the schedule for retirement of existing equipment that will become obsolete as a result of the upgrade. Discuss what other alternatives and what cross-service opportunities were considered in the review of this requirement.

(3) Tests to be Supported - List the programs and tests to be supported by the I&M project. Indicate the acquisition category for each program that will be using the upgraded equipment or facility.

(4) Schedule - Provide the critical milestones for the project. Include the approval date of the operational requirements document, the date of TERIB and TRMC review, the contract award dates, IOC and FOC.

(4) Funding Profile - Provide total funding plan, including all funding sources, for development through FOC and the follow-on sustainment costs. Funding should be consistent with that identified in the MRTFB-3a, Summary of I&M Projects, and with that included in the other R&D program and budget review submission exhibits.

Quad charts prepared for TRMC reviews can be used for the program and budget review submission as long as all of the requested information is included. Indicate the projects not funded in the Requirements section along with a statement indicating why it was not funded.

#### **MRTFB-3b, MILITARY CONSTRUCTION AND BASE REALIGNMENT AND CLOSURE PROJECTS**

Provide summary data for all Military Construction (MILCON) and Base Realignment and Closure (BRAC) projects that are programmed to support the MRTFB mission at the activity and are funded in either PY-1, PY, CY, BY and BY+1 of the Program Budget Submission.

For funded MILCON and BRAC projects, identify by fiscal year the individual funded projects with the same title as the approved DD Form 1391.

For Planned MILCON projects, identify by fiscal year the projects that are planned for the MRTFB through the FYDP period.

The total funded projects listed on this exhibit should match the MRTFB Exhibit-1 Military Construction and BRAC funding line.

Exhibit T&amp;E 1, Test and Evaluation Funding

## Test and Evaluation Funding

## Exhibit T&amp;E 1

PNO Title	T&E Type	Treasury Code	BA Code	Budget Line Item	Program Element	Funding Source	Funding Type	PY-1	PY	CY	BY 1	BY 2	BY2+ 1	BY2+ 2	BY2+ 3	BY2+ 4
Select from pick list	DT&E	Treasury Code list provided	Select from pick list	Select from pick list	Select from pick list	Government	# of Articles	#	#	#	#	#	#	#	#	#
	OT&E					Contractor	Articles Funding	\$	\$	\$	\$	\$	\$	\$	\$	\$
	LFT&E					Articles	Facilities	\$	\$	\$	\$	\$	\$	\$	\$	\$
							Instrumentation	\$	\$	\$	\$	\$	\$	\$	\$	\$
							Targets/Threat Simulators	\$	\$	\$	\$	\$	\$	\$	\$	\$
							Other T&E Funding	\$	\$	\$	\$	\$	\$	\$	\$	\$

Exhibit T&E-1, Test and Evaluation  
(Page 1 of 1)

Instructions for Exhibit T&E-1, Test and Evaluation

**Instructions for  
Exhibit T&E-1, Test and Evaluation**

1. Purpose.

A. The Exhibit T&E-1 is the Test and Evaluation (T&E) funding exhibit for the Program and Budget review. It consists of tabular and narrative data describing the funding for T&E of the Major Defense Acquisition Programs (MDAP) as specified in DoD 5000.1 and Special Interest Programs identified in the Program Objective Memorandum (POM) Instructions, Table C-1. This reporting process is accomplished on-line using the Select & Native Programming Data Input System (SNaP) located at: <http://snap.pae.osd.smil.mil>. **Note:** The SNaP system operating instructions as specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if they are different.

B. This exhibit reflects total funds included in the above-specified systems/programs for T&E regardless of what organization performs the T&E. It does not include funds in T&E programs, such as Major Range and Test Facilities Base (MRTFB) direct funding, used to provide services on a nonreimbursable basis to weapon systems.

2. Entries.

A. Instructions for Completing the Test & Evaluation Database

(1) Provide Test and Evaluation Detail by Funding Type for Major Defense Acquisition Programs by Treasury Code, Budget Activity, Budget Line Item (BLI) and Program Element (PE), and Facility Type.

(2) Provide narrative for all detail provided in a Word Document organized by the following:

(a) Program Description: For each Program Element/Project provide a brief description of the major program and major changes from the most recent President's budget request and the reason for the changes.

(b) T&E Program/Project Description: For each major T&E Program/Project, exceeding \$1 million in a single year or \$5 million over the life of the program describe the program/project, provide major changes from the most recent budget baseline and the reasons for the changes. Divide the discussions into Development Test and Evaluation (DT&E), Operational Test and Evaluation (OT&E), and Live Fire Test and Evaluation (LFT&E). Within each T&E type, distinguish between contractor and government activities and include data on articles funding and the number of articles. For facilities provide a narrative to justify as required in the T&E Facilities entries in the Tabular Data Worksheet (above).

(c) T&E Milestones/Schedules: Identify by date, the major milestones and scheduled T&E events (PT 3A, OT2, etc.) for each T&E program, noting deviations and reasons from what is stated in the approved Test and Evaluation Master Plan (TEMP).

Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(d) Approved TEMP Funding: Provide the difference (delta) in funding from the funding included in the most recently approved TEMP and provide a brief discussion of the reason for the difference.

(e) Funding: Briefly describe the use of the funds.

(f) Facilities Justification: Describe the reason for use of government or contractor facility. If capability is duplicated provide reasoning.

## B. Definitions

(1) Organization: The POM reporting entities are directed to submit this data requirement. For a complete list of organizations required to submit a T&E-1 Exhibit, see Appendix A of the Programming and Budgeting Data Requirements (PBDR).

(2) Program Control Numbers (PNO) Code: Three-digit numeric code that identifies MDAP programs. If program is not an MDAP program leave blank. PNO codes are listed on the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) website at: [http://friends.acq.osd.mil/ara/dab\\_oipt/schedule/mdaplist.html](http://friends.acq.osd.mil/ara/dab_oipt/schedule/mdaplist.html).

(3) T&E Type:

(a) *DT&E*: Developmental Test and Evaluation (DT&E) is any engineering-type test used to verify status of technical progress, verify that design risks are minimized, substantiate achievement of contract technical performance, and certify readiness for initial operational testing. Development tests generally require instrumentation and measurements and are accomplished by engineers, technicians, or soldier operator-maintainer test personnel in a controlled environment to facilitate failure analysis.

(b) *OT&E*: Operational Test and Evaluation is the field test, under realistic combat conditions, of any item of (or key component of) weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users.

(c) *LFT&E*: Live Fire Test and Evaluation is full-up, system-level survivability or lethality testing of a covered system, major munitions program, missile program, or product improvement to a covered system, major munitions program, or missile program before it can proceed beyond low-rate initial production.

(4) Treasury Code: The Treasury Code is a defined set of four-digit numeric codes provided by the Comptroller that identifies resource types.

(5) BA Code: The Budget Activity Code as defined by OUSD (Comptroller), in the Financial Management Regulation



Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(6) **Budget Line Item Number:** Provide the Activity Group and Sub-Activity Group (SAG) if the appropriation is O&M; the Project Number as used in the R2 report for RDT&E; Line Item if Procurement; Project Number if MilCon; and Activity Group and Customer if Revolving funds.

(7) **Program Element (PE):** The PE applies to RDT&E, Procurement and O&M appropriations. The PE is up to ten-digits in length, a seven-digit numeric identifier followed by up to three-digits alphanumeric code for Future Years Defense Program (FYDP) organization.

(8) **Funding Source:**

(a) *Government:* Resources, facilities, and capabilities that are owned by the U.S. Government.

(b) *Contractor:* Resources, facilities, and capabilities that are owned by a private company or firm.

(c) *Article:* An individual system or subsystem to be subjected to the test process

(9) **Funding Type:**

(a) *Facilities:* Includes all funding for provision of T&E capability through investment in plant and equipment (non-instrumentation) at facilities by funding source. For Government facilities these costs include all funding included as reimbursable orders (customer funding) to the Major Range and Test Facility Base and other installations.

(b) *Instrumentation:* Includes all funding for provision of T&E instrumentation (non-portable) by funding source.

(c) *Targets and Threat Simulators:* Includes all funding identified for targets and threat simulators by funding source.

(d) *Other Costs:* Include any additional funding not captured in the other Funding Types for performing T&E at facilities by funding source

(e) *Articles Funding:* Includes the funding for test articles to support the T&E planned for the system

(f) *# Articles:* Provide the number of test articles to support the T&E planned for the system by year of delivery of the article.

### C. Business Rules

Instructions for Exhibit T&E-1, Test and Evaluation (Continued)

(1) Project or Line Item Number and Title relationship—A project or line item number can only have one title. When users add new numbers they will be prompted to add the corresponding title. The new title will only be valid with the new number.

(2) O&M --Requires funding entries for fiscal years only.

(3) Funding Source = Article, report a Funding Type = Articles funding and # of Articles.

Funding Source and Funding Type Relationship Matrix	
Funding Source	Funding Type
Government	Facilities Instrumentation Targets/Threat Simulators Other T&E Funding
Contractor	Facilities Instrumentation Targets/Threat Simulators Other T&E Funding
Articles	# of Articles Articles Funding

Exhibit PB-14 FUNCTIONAL TRANSFERS

**FUNCTIONAL TRANSFERS**  
**Component:** \_\_\_\_\_

**FY BY1****FY BY2****FY BY2+1****FY BY2+2****FY BY2+3****FY BY2+4****PART I**

Adjustment as result of Functional Transfers:

(Show the total adjustment to Component topline as a result of inter-Component functional transfers included in the program and budget submission but not included in the Program Review. In addition, show the adjustment to each appropriation separately.)

**PART II**

(Show the following adjustments for each inter-Component functional transfer impacting all accounts included in Part I.)

Functional Transfer Title

Description: Provide succinct narrative explanation for each functional transfer.

Gaining Appropriation(s)/Budget Activity(s)/Subactivity Group(s)/line item/program

Civilian Full-Time Equivalent (FTE)

Military End Strength

Funding (\$ 000)

Losing Appropriation (s)/Budget Activity(s)/Subactivity Group(s)/line item/program

Civilian Full-Time Equivalent (FTE)

Military End Strength

Funding (\$ 000)

Exhibit PB-14 Functional Transfers

Exhibit PB-15 Advisory and Assistance Services

**ADVISORY AND ASSISTANCE SERVICES**DEPARTMENT/AGENCY

<u>Appropriation/Fund</u>	FY PY <u>Actuals</u>	<u>(Dollars in Thousands)</u>		FY BY2 <u>Estimate</u>
		FY CY <u>Estimate</u>	FY BY1 <u>Estimate</u>	
1. Management & Professional Support Services				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
2. Studies, Analysis & Evaluations				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
3. Engineering & Technical Services				
FFRDC Work*				
Non-FFRDC Work*				
Subtotal				
TOTAL				
<b>FFRDC Work*</b>				
<b>Non-FFRDC Work*</b>				
<b>Reimbursable</b>				

**Explanation of Funding Changes**

\* Provide a narrative explanation (in program terms) for any increase/decrease that is in excess of the estimated rate of inflation. This explanation of increase/decrease is required for changes between the PY and the CY, between the CY and the BY1, and between the BY1 and the BY2.

Notes:

1. All totals displayed must equal amounts reported in object class 25.1.
2. FFRDC - Federally Funded Research & Development Centers.
3. A separate PB-15 must be prepared for each appropriation/fund.
4. A summary PB-15 must be prepared when consulting services are funded from more than one appropriation/fund.

**Exhibit PB-15 Advisory and Assistance Services**

(Page 1 of 1)

Instructions for Exhibit PB-15 Advisory and Assistance Services

**ADVISORY AND ASSISTANCE SERVICES**  
**Instructions for Exhibit PB-15**

**BACKGROUND:** The purpose of the exhibit is to provide Congress with actual estimates on the amount spent by DoD on advisory and assistance services which are utilized to enhance, assist, or improve the ability of government employees to make decisions on governmental processes, program, and systems. Congressional concern stems from both the cost and nature of advisory and assistance services. When contractors provide advice or assistance that may affect decision-making, influence policy development, or provide support to project or program management, it is essential to ensure that the contractor's performance is free of potential conflicts of interest and does not impinge upon the performance of inherently governmental functions by government employees. As such, advisory and assistance services require an appropriate degree of enhanced management and oversight. When using contractor provided products, final decisions, or actions must reflect the independent conclusions of DoD officials. Advisory and Assistance Services (object class 25.1) include services acquired by contract from non-governmental sources that provide management and professional support services; studies, analyses, and evaluations; and engineering and technical services, as defined below.

The definitions indicated below have been substantially revised to incorporate the changes indicated in section 911 of the National Defense Authorization Act for FY 1999 (codified in section 2212(b) of title 10 U.S.C.).

**ADVISORY AND ASSISTANCE SERVICES DEFINITION (Object Class 25.1):** Obligations for advisory and assistance services acquired by contract from non-governmental sources (including Federally Funded Research and Development Centers (FFRDCs) and non-FFRDCs) to support or improve organization policy development, decision making, management, and administration; support program and/or project management and administration; provide management and support services for Research and Development (R&D) activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures. The products of advisory and assistance services may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training, and technical support. Object class 25.1 consists of the following three categories:

Management and Professional Support Service: This category includes funding for contractual services that provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of organizations, activities (including management and support services for R&D activities), or systems. These efforts are closely related to the basic responsibilities and mission of the using organization and contribute to improved organization of program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, performance auditing, and administrative/technical support for conferences and training programs.

Studies, Analyses, and Evaluations: This category includes funding for contractual services to provide organized, analytic assessments to understand or evaluate complex issues to improve policy development, decision making, management, or administration and that result in documents containing data or leading to conclusions or recommendations. Those services may include databases, models, methodologies, and related software created in support of a study, analysis, or evaluation.

Engineering and Technical Services: This category includes funding for contractual services that take the form of advice, assistance, training, or hands-on training necessary to maintain and operate fielded weapon systems, equipment, and components (including software when applicable) at design or required levels of effectiveness.

**ADDITIONAL GUIDANCE:** Section 911 of Public Law 105-261, "the FY 1999 National Defense Authorization Act" reinstated the exemptions allowed under DoD 4205.2, "DoD Directives Acquiring and Managing Contracted Advisory and Assistance Services (CAAS)," dated February 10, 1992. Therefore, the number of currently authorized exemptions exceeds the number of exemptions as stipulated in the latest OMB Circular A-11

Instructions for Exhibit PB-15 Advisory and Assistance Services  
(Page 1 of 3)

Instructions for Exhibit PB-15 Advisory and Assistance Services (Continued)

(June 1999). The following exemptions from DoD 4205.2 describe various contracted services that are not advisory and assistance services. Revisions to DoD 4205.2 may change these exemptions. Any such changes will be highlighted in supplemental guidance prior to the program and budget review submission.

- Activities that are reviewed and/or acquired in accordance with the OMB Circular A-76 program.

Architectural and engineering services for construction and construction management services procured in accordance with the Federal Acquisition Regulation (FAR), Part 36. Work not related to construction as defined by Part 36, and that meets the A&AS definition under existing architectural and engineering contracts, shall come under the purview of this Guidance.

Day-to-day operation of facilities (for example, the Arnold Engineering Development Center and related facilities) and housekeeping services and functions (for example, building and grounds maintenance, and physical security).

Routine maintenance of systems, equipment, and software; routine administrative services; printing services; and direct advertising (media) services.

Initial training services acquired as an integral part of the procurement of weapon systems, automated data processing systems, equipment or components, and training obtained for individual professional development.

Basic operation and management contracts for Government-owned, contractor-operated facilities (GOCOs); for example, the Holston Army Ammunition Plant in Kingsport, TN. Any contract action meeting the A&AS definition and procured under the GOCO basic contract shall come under the purview of this Guidance.

Clinical and medical services for direct healthcare.

The ADP and/or telecommunication functions and related services controlled in accordance with Title 41, Federal Information Resources Management Regulation (FIRM), Code of Federal Regulations, Part 201.

The ADP and/or telecommunications functions and related services exempted from FIRM control pursuant to Title 10, United States Code (U.S.C.), section 2315 and reported in Budget Exhibit 43a, "Report on Information Technology Systems," of DoD 7110.1-M.

Services supporting the policy development, management, and administration of the Foreign Military Sales Program that are not paid for with funds appropriated by the U.S. Congress. (Includes A&AS funded with appropriated funds and reimbursed by the foreign customer).

Services (for example, systems engineering and technical services) acquired by or for a program office to increase the design performance capabilities of existing or new systems or where they are integral to the logistics support and maintenance of a system or major component and/or end item of equipment essential to the operation of the system before final Government acceptance of a complete hardware system. Care must be exercised to avoid exempting services acquired to advise and assist the program office and/or manager for program and/or contractor oversight and administration processes, resource management, planning and programming, milestone and schedule tracking, or other professional or administrative services necessary in performing its mission.

Research on theoretical mathematics and basic medical, biological, physical, social, psychological, or other phenomena.

Auctioneers, realty-brokers, appraisers, and surveyors.

Services procured with funds from the Defense Environmental Restoration Account.

Instructions for Exhibit PB-15 Advisory and Assistance Services (Continued)

**COVERAGE:** This reporting requirement covers all DoD appropriations and funds. Consulting services acquired from contracts managed by other Government Agencies and paid for with DoD appropriations **must** be reported.

**PREPARATION REQUIREMENTS FOR EXHIBIT PB-15:** Each DoD Component must submit the PB-15 exhibit even if they are not procuring advisory and assistance services; negative replies are required. A separate exhibit is required for each appropriation and fund. For annual and multiyear appropriations, planned obligations should be shown in the year of the appropriation rather than the year the obligation is planned. Prior year columns should reflect actual obligations incurred plus additional obligations planned over the remaining life of that fiscal year appropriations. Current and budget year columns should reflect all obligations planned over the life of those appropriations. The Defense Working Capital Fund (DWCF) business areas should identify budgeted obligations in the year those obligations are planned for contracts in support of DWCF activity functions but not those in support of customer workload. The identification of advisory and assistance services in support of appropriations managed by one Component but executed by another Component, fund (e.g., DWCF), or through federally funded research and development centers is the responsibility of the appropriation fund manager. In determining whether a contract is for advisory and assistance services, the contracting or executing organization is not relevant. For example, advisory and assistance services in support of one of the Environmental Restoration transfer appropriations but executed by the Military Departments must be identified in appropriation exhibits submitted for that Environmental appropriation. Each Component will provide overall summary displays for their Component appropriations/funds totals.

**SUBMISSION REQUIREMENTS:** For the OSD/OMB program and budget review submission, the PB-15 exhibit will be submitted as a separate exhibit. For the President's budget submission to the Congress, the PB 15 exhibit will be included as an exhibit in Volume II - Data Book. Each Military Department and Defense Agency will provide an exhibit for each appropriation/fund. In addition, each Military Department and Defense Agency will provide a consolidated exhibit for all appropriations/funds under their control.

\*\* The PB-15 exhibit should reflect the same resource amounts as identified in Object Class 25.1. Any discrepancies between the PB-15 and Object Class 25.1 must be fully explained. Each PB-15 exhibit is required to contain each appropriation manager's name and telephone number.\*\*

## Exhibit PB-16 Legislative Proposals LEGISLATIVE PROPOSALS

LEGISLATIVE PROPOSALS  
(Dollars in Thousands)

Proposal <u>Number</u>	Proposal <u>Title</u>	<u>APPN(s)</u>	<u>BY1</u>	<u>BY2</u>	<u>BY2+1</u>	<u>BY2+2</u>	<u>BY2+3</u>	<u>BY2+4</u>
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- Proposal number should reflect the number assigned via the Office of Legislative Council (OLC) and Unified Legislation and Budgeting (ULB) processes (e.g., MPP-01-B41A, OLC-100).
- Amounts should reflect cost or savings (-) included in the budget submission for proposals to be approved by the Congress.
- Provide a total for each proposal, a total for each appropriation/fund, and a grand total.
- The Component's Budget Review Submission should include all approved proposals submitted through the ULB process.
- The Component's Congressional Justification/Presentation submission should include all proposed legislation submitted through the OLC process, which have not been disapproved.
- The proposals must be fully funded for the budget year(s) and throughout FYDP.
- If the proposal impacts manpower, provide the end strength and workyear adjustments (average strength for military and FTE for civilians) by type of employment status.

Exhibit PB-16 Legislative Proposals



Exhibit PB-18 Foreign Currency Exchange Data

Component:

Date: \_\_\_\_\_

**FOREIGN CURRENCY EXCHANGE DATA**  
**FY BY1/FY BY2 Budget Submit/President's Budget**  
**Identify Appropriation**  
 (\$ in Thousands)

<u>Country</u>	<u>FY PY</u>		<u>FY CY</u>		<u>FY BY1</u>		<u>FY BY2</u>	
	U.S. \$	Budgeted	U.S. \$	Budgeted	U.S. \$	Budgeted	U.S. \$	Budgeted
	Requiring	Execution	Requiring	Execution	Requiring	Execution	Requiring	Execution
	<u>Conversion</u>	<u>Rates</u>	<u>Conversion</u>	<u>Rates</u>	<u>Conversion</u>	<u>Rates</u>	<u>Conversion</u>	<u>Rates</u>
Denmark	1/2/	3/	1/2/	3/	1/2/	3/	1/2/	3/
Euro								
Japan								
Norway								
Singapore								
South Korea								
Turkey								
United Kingdom								
TOTAL								

- 1/ U.S. dollar value of program purchased with foreign currency at prescribed exchange rate. For the FY PY actual numbers, the value of the overseas program will agree with the obligations incurred at the budget rate reflected on the DD-Comp(M) 1506 report, and the Foreign Currency Fluctuations, Defense Report (MilPers) as of 30 September (See DoD FMR Volume 6A, Chapter 7).
- 2/ The amounts requiring conversion for military personnel Cost of Living Allowance (COLA) will be the Component's (by country at prescribed rates) amount of COLA payments. Prepare separate exhibits for O&M, COLA and Basic Allowance for Housing (BAH) Overseas estimates. Also include a summary exhibit for the COLA and BAH appropriations.
- 3/ As prescribed in OSD guidance issued by OUSD (Comptroller) P/B. Express the foreign currency exchange rates in terms of units of foreign currency that can be purchased with one (1) U.S. dollar (e.g., 125.4900 Japanese yen per one U.S. dollar).

Exhibit PB-18 Foreign Currency Exchange Data  
 (Page 1 of 1)

Exhibit PB-22 Major Department of Defense Headquarters Activities

## MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES

FY PY Actual				FY CY Estimate				FY BY1 Estimate				FY BY2 Estimate			
Military			Total	Military			Total	Military			Total	Military			Total
Avg.	Civ	Total	Obligation	Avg.	Civ	Total	Obligation	Avg.	Civ	Total	Obligation	Avg.	Civ	Total	Obligation
<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>	<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>	<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>	<u>Strength</u>	<u>FTEs</u>	<u>Mpwr</u>	<u>(\$ 000)</u>

**INSTRUCTIONS**

Category/Organization/Appropriation/Fund: This exhibit provides manpower, payroll, and non-labor cost data directly related to the Major Headquarters mission. Data will be displayed by appropriation/fund (including Military Personnel) for all organizations listed in the DoD 5100.73, "DoD Directives Major Department of Defense Headquarters Activities." Deviations from the DoDD 5100.73 must be approved by OSD. Additionally, this exhibit will separately identify the manpower and cost data by Combatant and Non-Combatant Headquarters Activities. The Secretaries of the Military Departments shall provide personnel strength and operating costs in Major DoD Headquarters Activities under their management control. In addition, they shall provide strength and operating costs of Service-provided personnel and funding in the U.S. Combatant Command Headquarters Activities in accordance with Commander-in-Chief programmed and Joint Staff approved levels. Service personnel and funding for the U.S. Special Operations Command shall be coordinated with the Commander-in-Chief, Special Operations Command (CINCSOC). Resources for International Military Headquarters are **not** to be reported in this exhibit; these costs are to be reported on the PB-55, International Military Headquarters below. A narrative explanation is required for all increases and decreases. Non-labor costs that are **not** directly related to the Major Headquarters mission such as Pentagon Renovation should not be reported in this exhibit. Components should footnote the items that are excluded. Organizations will be displayed according to the following categorization of Major Headquarters Activities. Manpower and TOA will be identified by appropriation or fund for each major headquarters category.

I. Combatant Major Headquarters Activities

1. Combatant Commands\*
2. Service Combatant Commands\*

II. Non-Combatant Major Headquarters Activities

## Defense-Wide Activities

- a. Departmental Activities
- b. Departmental Support Activities
- c. Functional Activities (Defense Agencies, Other)

## Military Department Activities\*

- a. Departmental Activities
- b. Departmental Support Activities
- Functional Activities

Total Summary by Category (i.e., Combatant/non-Combatant Commands) and by appropriation.

Exhibit PB-22 Major Department of Defense Headquarters Activities

(Page 1 of 2)

Exhibit PB-22 MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES (Continued)

IV. Reconciliation of Increases and Decreases

\* To include direct reporting units, as appropriate.

Under “Total Obligations” TOA should be limited to costs directly in support of major headquarters and should not include operational elements of expense for programs centrally funded or managed at the headquarters but executed elsewhere in the Department. Classified data will be reported.

Under each appropriation/fund, manpower strengths and funds will be identified as direct or reimbursable.

Totals will be provided by categories listed above, e.g., Combatant Commands, Service Combatant Commands, etc.

Revolving funds that support headquarters activities will be reflected in the same fashion as appropriated funds.

A total summary by appropriation/fund and category (Combatant/Non-Combatant) must be provided.

National Guard and Reserve officers serving on active duty and performing duties described in 10 U.S.C. 10211 will be excluded from this exhibit.

Numbers reported in this exhibit must be consistent with the numbers reported in the Components’ budgets and accompanying the FYDP, as identified by program elements designated as major headquarters activities.

THIS EXHIBIT IS REQUIRED WITH THE PROGRAM AND BUDGET REVIEW SUBMISSION AND WITH THE PRESIDENT’S BUDGET SUBMISSIONS. HOWEVER, FOR THE PRESIDENT’S BUDGET SUBMISSION, THIS EXHIBIT MUST BE PROVIDED TO THE OPERATIONS DIRECTORATE NO LATER THAN JANUARY 22 IN ORDER TO BE INCLUDED IN THE “OPERATION AND MAINTENANCE OVERVIEW” JUSTIFICATION BOOK.

POC:

Phone No.

Exhibit PB-22 Major Department of Defense Headquarters Activities  
(Page 2 of 2)

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program

Component																		
Acquisition and Technology Work Force Manpower																		
(Active-duty Military End Strength and Civilian Full-Time Equivalents (FTEs))																		
Category	PY-1		PY		CY		BY1		BY2		BY2+1		BY2+2		BY2+3		BY2+4	
	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ	Mil	Civ
Program Management																		
Contracting																		
Industrial and Contract Property Management																		
Purchasing																		
Acquisition Logistics																		
Business, Cost Estimating, Financial Management																		
Auditing																		
Information Technology																		
Manufacturing, Production and Quality Assurance																		
Test and Evaluation																		
Systems Planning, Research, Development and Engineering																		
Facilities Engineering																		
Other																		
TOTAL																		

**Acquisition, Technology and Logistics Workforce Transformation Program (Continued)**  
**(TOA, Dollars in Thousands)**

**Military Personnel and Civilian Pay (TOA, Dollars in Thousands):**

Military Personnel

Civilian Personnel

**TOTAL****Targeted Workforce Improvement Initiatives (TOA, Dollars in Thousands)**

1. Recruiting
2. Hiring
3. Career Development
4. Workforce Information
5. Retention

**TOTAL****Explanation of Changes Between Fiscal Years:** (Provide an explanation of increases and decreases between fiscal years.)

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program

(Page 1 of 2)

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program (Continued)

### Acquisition, Technology and Logistics Workforce Transformation Program Exhibit Instructions

**Background:** Section 912(b) of the National Defense Authorization Act for FY 1998 required the DoD to adopt and implement a new definition of the Defense acquisition workforce. This new definition is based on specified organizational and occupational criteria that are described in the Jefferson Solutions technical report “Identification of the DoD Key Acquisition and Technology Workforce, DASW01-98-C-0010, May 1999.” This report is available from the DoD Acquisition Education, Training, and Career Development office at (703) 681-3464.

The final report of the Defense Acquisition 2005 Task Force, entitled “Shaping the Civilian Acquisition Workforce of the Future,” set forth many recommendations aimed at improving the workforce. The report included 31 initiatives, the first of which was to develop and implement human capital strategic plans. The Components have begun to develop strategic plans. Other important initiatives related to recruiting, hiring, career development, workforce information, and retention. In March 2002, the Department reported to the Congress on the status of these recommendations, and indicated that many are now being implemented.

**Display:** In order to provide the required congressional reports, the acquisition, technology and logistics workforce must be identified. Therefore, each Component is required to submit the exhibit PB-23. This exhibit must be submitted for both the Program and Budget Review Submission and the President’s Budget. This exhibit displays manpower categories (active-duty military end-strength (E/S) and civilian full-time equivalents (FTEs)) by career field for each fiscal year. In addition to meeting congressional reporting requirements, this information will provide insights about how the Components plan to transform their workforces consistent with the Department’s overall transformation program. The exhibit also displays funding for a selected group of the Task Force’s initiatives currently in implementation. This exhibit is submitted on-line using the Select & Native Programming Data Input System (SNaP) located at: <http://snap.pae.osd.smil.mil>. **Note:** The SNaP system operating instructions as specified in the Programming and Budgeting Data Requirements on the SNaP system will supersede the instructions identified in this document if they are different.

Each Component must provide manpower for the designated career fields for each fiscal year, along with the TOA associated with the workforce. In addition, the Components are encouraged, but not required, to provide funding information for the specified initiatives. However, a total funding level for the entire package of specified initiatives is required. Recruiting initiatives focus on marketing and the Student Educational Employment Program, along with administrative requirements to support the program. Hiring initiatives will address bonus programs, payments for permanent change of station, student loan repayment, and supporting administrative costs. Career development includes training, continuous learning, assignment and rotation programs, industry exchanges and related administrative costs. Workforce information initiatives relate to tracking and reporting systems and programs to promote workforce communications. Retention initiatives include bonuses, annual awards, telecommuting programs, programs to fund licenses, and supporting administrative programs.

**Negative replies are required.**

Exhibit PB-23 Acquisition, Technology and Logistics Workforce Transformation Program  
(Page 2 of 2)

Exhibit PB-24 Professional Military Education Schools

**PROFESSIONAL MILITARY EDUCATION SCHOOLS**

**SERVICE** \_\_\_\_\_  
**SCHOOL** \_\_\_\_\_

(Provide a separate exhibit for each school)

I. Narrative Description (Statement of Requirements and Mission):

II. Description of Operations Financed: Provide a description of what is funded below. Include the course length and frequency. Indicate whether or not short courses, correspondence courses, and non-resident courses are included. Indicate other activities funded by the school such as wargaming facilities and other support activities.

III. Financial Summary (\$ Thousands):

	FY CY				FY BY1	FY BY2	FY CY/FY BY1	FY CY/FY BY2
	<u>FY PY</u>	<u>Budget Request</u>	<u>Appn</u>	<u>Current Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>
Mission (O&M)								
Base Operations								
Military Personnel								
O&M								
Military Personnel <sup>1/</sup>								
School Personnel								

Total Direct Program

Total Reimbursable Program <sup>2/</sup>

Total Direct and Reimbursable

<sup>1/</sup> Use standard rates (i.e. average cost per officer and average cost per enlisted) to calculate military personnel assigned.

<sup>2/</sup> As a minimum, include costs of courses that are being reimbursed from acquisition training funds and reimbursement from Foreign Military Sales (FMS). Identify reimbursements from acquisition training separately.

Provide a description of changes between the current year (CY) appropriation and current estimate as well as between the current year (CY) and the budget year 1 (BY1) and between the BY1 and budget year 2(BY2).

**Exhibit PB-24 Professional Military Education Schools**  
 (Page 1 of 3)

## PROFESSIONAL MILITARY EDUCATION SCHOOLS (Continued)

SERVICE \_\_\_\_\_  
 SCHOOL \_\_\_\_\_

IV. Performance Criteria and Evaluation:

	<u>FY PY</u>	<u>FY CY</u> <u>Estimate</u>	<u>FY BY1</u> <u>Estimate</u>	<u>FY BY2</u> <u>Estimate</u>	<u>FY CY/FY BY1</u> <u>Change</u>	<u>FY CY/FY BY2</u> <u>Change</u>
<u>Direct Funded:</u>						
Student Input						
Student Load						
Graduates						
<u>Reimbursable Funded:</u>						
Student Input						
Student Load						
Graduates						

Average Cost per Student Load (Total Direct and Reimbursable from Part III divided by the total direct and reimbursable student load.)

Include student input, load, and graduates for resident course only.

III. Personnel Summary: (Exclude students)

	<u>FY PY</u>	<u>FY CY</u>						
		<u>Budget</u> <u>Request</u>	<u>Appn</u>	<u>Current</u> <u>Estimate</u>	<u>FY BY1</u> <u>Estimate</u>	<u>FY BY2</u> <u>Estimate</u>	<u>FY CY/FY BY1</u> <u>Change</u>	<u>FY CY/FY BY2</u> <u>Change</u>
<u>Military End Strength (Total)</u>								
Officers								
Enlisted								
<u>Military Average Strength (Total)</u>								
Officers								
Enlisted								
<u>Civilian End Strength (Total)</u>								
USDH								
<u>Civilian FTEs (Total)</u>								
USDH								

Exhibit PB-24 Professional Military Education Schools

### **Instructions for Professional Military Education (PB-24) (Continued)**

A Separate Exhibit is to be submitted for each of the following schools:

- Industrial College of the Armed Forces
- National War College
- Army Sergeants Major Academy
- Army Command and General Staff College
- Army War College
- Army Management Staff College
- College of Naval Command and Staff
- College of Naval Warfare
- Naval Postgraduate School
- Navy Senior Enlisted Academy
- Marine Corps Staff NCO Academy
- Marine Corps Command and Staff College
- Air Force Senior NCO Academy
- Air Command and Staff College
- Air War College
- Air Force Institute of Technology

In addition, the Army will provide a consolidated exhibit for the National Defense University.

This exhibit is required for the Program and Budget Review Submission and the President's budget submission.

Exhibit PB-24 Professional Military Education Schools (Page 3 of 3)



Exhibit PB-25 Host Nation Support

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/  
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) \_\_\_\_\_ DOD COMPONENT \_\_\_\_\_  
(\$ in Millions)

**I. GENERAL INFORMATION**

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
A. Exchange Rate Used				
B. Inflation Rates Used				
1. Labor				
2. Non-Labor				

**II. DIRECT SUPPORT**

- A. Rent
- B. Labor
  - 1. Foreign National Labor Cost Sharing
  - 2. Percent of Labor Covered
  - 3. Katusa Labor (Korea Only)
- C. Utilities
  - 1. Dollar Value of Hns
  - 2. Percent of Utilities Covered
- D. Facilities
  - 1. Sustainment, Restoration and Modernization (SRM)
  - 2. Facilities Improvement Program
  - 3. Relocation Construction
  - 4. Other (List)
- E. Miscellaneous (List)

Total

Memo - Identify Amount Of Cash Contribution Included Above.

Exhibit PB-25 Host Nation Support  
(Page 1 of 5)

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/  
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) \_\_\_\_\_ DOD COMPONENT \_\_\_\_\_

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
III. <u>END STRENGTH (E/S)</u>				
A. <u>Foreign National Direct Hires</u>				
1. E/S Funded Solely By U.S. <u>2</u> /				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				
B. <u>Foreign National Indirect Hires</u>				
1. E/S Funded Solely By U.S. <u>2</u> /				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				
C. <u>U.S. Direct Hires</u>				
1. E/S Funded Solely By U.S. <u>2</u> /				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				
D. <u>Total Hires</u>				
1. E/S Funded Solely By U.S. <u>2</u> /				
2. E/S Funded By Host Nation Cash Payments To U.S.				
3. E/S Funded By Host Nation Assistance-In-Kind				

Exhibit PB-25 Host Nation Support (Page 2 of 5)

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/  
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

COUNTRY (And SUMMARY) _____		DOD COMPONENT _____		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
IV. FULL-TIME EQUIVALENTS (FTEs)				
A. <u>Foreign National Direct Hires</u>				
	1. FTEs Funded Solely By U.S. <u>2/</u>			
	2. FTEs Funded By Host Nation Cash Payments To U.S.			
	3. FTEs Funded By Host Nation Assistance-In-Kind			
B. <u>Foreign National Indirect Hires</u>				
	1. FTEs Funded Solely By U.S. <u>2/</u>			
	2. FTEs Funded By Host Nation Cash Payments To U.S.			
	3. FTEs Funded By Host Nation Assistance-In-Kind			
C. <u>U.S. Direct Hires</u>				
	1. FTEs Funded Solely By U.S. <u>2/</u>			
	2. FTEs Funded By Host Nation Cash Payments To U.S.			
	3. FTEs Funded By Host Nation Assistance-In-Kind			
D. <u>Total Hires</u>				
	1. FTEs Funded Solely By U.S. <u>2/</u>			
	2. FTEs Funded By Host Nation Cash Payments To U.S.			
	3. FTEs Funded By Host Nation Assistance-In-Kind			

**HOST NATION SUPPORT (HNS) COST EXHIBIT 1/  
FY BY1/FY BY2 PRESIDENT'S BIENNIAL BUDGET**

	COUNTRY (And SUMMARY) _____		DOD COMPONENT _____	
	(\$ in Millions)			
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
V. <u>TOTAL COMPENSATION</u> <sup>3/</sup>				
A. <u>Foreign National Direct Hires</u>				
1. FTEs funded solely by U.S. <sup>2/</sup>				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				
B. <u>Foreign National Indirect Hires</u>				
1. FTEs funded solely by U.S. <sup>2/</sup>				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				
C. <u>U.S. Direct Hires</u>				
1. FTEs funded solely by U.S. <sup>2/</sup>				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				
D. <u>Total Hires</u>				
1. FTEs funded solely by U.S. <sup>2/</sup>				
2. FTEs funded by host nation cash payments to U.S.				
3. FTEs funded by host nation assistance-in-kind				

<sup>1/</sup> The HNS is defined as those amounts paid in cash to the U.S. or provided as assistance-in-kind by a Host Nation to defray the costs of U.S. forces permanently assigned in that country during peacetime. Assistance-in-kind (AIK) includes any support provided without charge by the Host Nation (i.e., Japanese local national labor cost sharing). This exhibit is to be completed by country. Part II of the Exhibit is to be completed by country by appropriation. Additionally, complete the exhibit summarizing data for all countries. Similarly, provide a summary of Part II by appropriation. Cost and civilian end strength estimates are to reflect host nation support contributions only for activities supported by appropriated funds.

<sup>2/</sup> Excludes non-appropriated funded activities.

<sup>3/</sup> Personnel costs are to be consistent with OP-8 budget exhibits.

DEFINITIONS

Exchange Rate Used – Rates should be based on approved budgeted rates.

Inflation Rates Used - Indicate the inflation factor used in all calculations provided in the HNS exhibit. If there is a different rate used within non-labor categories, list the items separately. Be sure all amounts shown are adjusted for inflation.

DIRECT SUPPORT

Rents - The amount of lease/rental payments by the Host Nation Government for the use of private property by U.S. forces.

Labor - The amount of payments by the Host Nation for U.S. Direct Hires, Foreign National Direct Hires, and Foreign National Indirect Hires.

Percent of Labor Covered Under Agreement - Indicate the percentage of U.S. forces labor costs paid by HNS.

KATUSA Labor - This category is for Korea only and is the amount of payments made by Korea for Korean Augmentees to the U.S. Army.

Utilities - The amount of payments by the Host Nation for U.S. forces use of on-base and off-base electricity, heating fuels, water, and sewer. Indicate the percentage of U.S. forces utility costs paid by HNS.

Facilities - The amount of Host Nation payments for the planning, design, construction (PDC) and sustainment and repair of facilities used by U.S. forces. Host nation payment for residual value of property turned over to host nations due to base closures is not to be included as HNS.

Maintenance and Repair - The amount of Host Nation payments for the maintenance and repair of U.S. forces' facilities.

Facilities Improvement Program - The amount of Host Nation payments for facilities for the PDC of projects such as family and bachelor housing, community support and recreation facilities, and utilities upgrade. It also includes operational support facilities such as hangars and hardened aircraft shelters.

Relocation Construction - The amount of payments by the Host Nation for facilities for the PDC of projects associated with the relocation of U.S. forces primarily for the convenience of the Host Nation.

**Instructions for completing the PB 28 Exhibits****1. Purpose.**

The Department will collect both program and budget data through the SNaP (Select & Native Programming Data Input System) process. The Military Departments and applicable Defense Agencies will update the SNaP immediately upon completion of the program/budget decisions and budget lock by the Department. The SNaP system will reformat the data into congressional justification exhibits, which can be printed out by the respective Components and included in their justification materials. For Environmental Quality, Environmental Technology and Operational Range Sustainment and Environmental Management the Programming and Budgeting Data Requirements (PBDR) will be collected in PBDR exhibits PB 28, PB 28A and PB 28B. Components shall submit their exhibits through the Select and Native Data (SNaP) Input System located on the NIPRNet at <https://snap.pae.osd.mil> and on the SIPRNet at <https://snap.pae.osd.smil.mil>. The most current version of this exhibit will be found at these sites.

**2. Coverage.**

For the PB 28, each Component will be asked to enter data for each appropriation/fund inside the United States and territories as well as for each appropriation/fund for foreign (i.e. outside the United States and Territories) for cleanup activities overseas. (That is, those activities that would be funded in the Environmental Restoration Accounts if they occurred inside the United States).

**3. Submission Requirements.**

The PBDR data is to be submitted for the joint program/budget review and the President's Budget Submission. The DoD Components shall prepare and submit separate narrative justification material for their respective programs. The narrative material shall describe significant and unique items contained in the material including at a minimum the following:

- justification supporting changes between fiscal years.
- amount of funds allocated for compliance actions related to operational, test and training ranges (e.g. Clean Water Act funds allocated to respond to compliance action at a training range)

For Environmental Technology funding, the SNaP system will obtain funding information from the FYDP database by program element and project number.

The data entry sheets required for the SNaP system for Environmental Quality are included on the following pages. Following the SNaP data entry sheets are examples of the PB-28, PB 28A and PB 28B exhibits produced by SNaP for congressional justification.

PB-28 Funds Budgeted for Environmental Quality

Class	Component	Location	EnvironmentalActivityCostType	EnvironmentalCosts	ProgramElement TreasuryCode	TreasuryCode ProgramElement	FY2006	FY2007
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FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
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Instructions

- 1) Provide domestic and foreign environmental quality costs for compliance, pollution prevention, and conservation by program element and resource type by Environmental Cost and Program categories described below.
- 2) Provide narrative in word document explaining program changes between fiscal years by compliance, pollution prevention, and conservation.
- 3) See Appendix A for reporting requirements for your organization

Definitions**Class:** System Field: Classification**C:** CONFIDENTIAL**C/NF:** CONFIDENTIAL//NOFORN**F:** FOR OFFICIAL USE ONLY**S:** SECRET**S/NF:** SECRET//NOFORN**U:** UNCLASSIFIED**Component:** Identifies the duty status for military service units and defense agencies.**Active:****DADW:** Defense Area Defense Wide. Used by non-service defense agencies.**Guard:****Reserve:****Location:****Domestic:** Inside the United States, District Of Columbia and U.S. Territories.**Foreign:** All areas outside Domestic**EnvironmentalActivityCostType:****Compliance Non-Recurring:** Compliance is as defined in DODI 4715.6, of April 24, 1996 Environmental Compliance. Include one-time costs associated with meeting federal, state, or locally directed requirements.**Compliance Recurring:** Compliance is as defined in DODI 4715.6, of April 24, 1996 Environmental Compliance. Includes ongoing costs for items such as manpower; education and training; permits and fees; sampling analysis and monitoring; supplies; data management, and recurring reporting, etc.**Conservation Non-Recurring:** Conservation is as defined in DODI 4715.3, of May 3, 1996 Environmental Conservation Program. Include one-time costs associated with meeting federal, state, or locally directed requirements.**Conservation Recurring:** Conservation is as defined in DODI 4715.3, of May 3, 1996 Environmental Conservation Program. Include ongoing costs for [manpower, education and training](#); permits and fees, supplies, travel, data management, recurring reporting, and recurring updates for plans.**Pollution Prevention Non-Recurring:** Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996 Pollution Prevention. Include one-time costs associated with meeting federal, state, or locally directed requirements.

**Pollution Prevention Recurring:** Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996 Pollution Prevention. Include ongoing costs for [manpower; education and training](#); supplies, travel, data management, recurring reporting, recurring updates for plans, and operating recycling facilities, etc.

**Environmental Costs:**

**Clean Air Act:** Costs associated with this title are to be captured in Non-Recurring Compliance or Non-Recurring Pollution Prevention, as appropriate.

**Clean Water Act:** Costs associated with this title are to be captured in Non-Recurring Compliance or Non-Recurring Pollution Prevention, as appropriate.

**Conservation Recurring:** Include ongoing costs for manpower education and training at the aggregate level and at the program area. Include ongoing costs for permits and fees, supplies, travel, data management, and recurring reporting.

**Education & Training:** Costs associated with education and training of personnel in environmental programs (including compliance, pollution prevention and conservation).

**Environmental Management Systems (EMS):** Costs required to implement and maintain an EMS in accordance with DoD requirements. Includes cost for EMS audits, conformance declaration, and registration if applicable.

**Hazardous Material Reduction:** Efforts to reduce the use of pollutant-producing products and hazardous materials.

**Historical & Cultural Resources:** Baseline inventories of historic buildings, structures, and historical and archeological sites/environmental analyses to assess and mitigate potential cultural resource adverse actions. Mitigation to meet existing permit conditions or written agreements. Initial archeological materials curation. Development of integrated Cultural Resources Management Plans; and consultations with Native American Groups.

**Manpower:** All recurring government (civilian and Military manpower costs) and contractor costs applicable to management of the environmental quality program (including Compliance, Pollution Prevention, and Conservation).

**Other Compliance Non-Recurring:** Costs for Radon/Asbestos investigations and mitigation including facility demolition (if greater than 50% of the cost is required to meet Environmental Compliance standards). Also include Spill Response Plans, (other than Cleanup requirements, e.g. initial preparation of spill response plans); action to prevent pollution from ships; Toxic Substance Control Act compliance; and Federal Insecticide, Fungicide, Rodenticide Act Compliance (upgrade of pesticide storage facilities to meet regulator standards).

**Other Compliance Recurring:** Those costs for supplies (Spill team equipment, labels, drums, updating recurring plans such as Spill Response Plans, manifests, etc.). It also includes travel, National Pollution Discharge Elimination System permit records/reporting; biannual Hazardous Waste reporting (Resource Conservation Recovery Act Subtitle C); Clean Air Act inventories (routine/recurring reporting); Federal Insecticide, Fungicide, Rodenticide Act reporting; and Environmental Self-Assessments, etc

**Other Natural Resources Non-Recurring:** Management plans; develop other biological resource management plans; biodiversity conservation requirements; ecosystem management requirements; habitat restoration; public awareness/outreach related to specific legal requirements.

**Other Pollution Prevention Non-Recurring:** This includes efforts to prepare and implement an acquisition strategy for Alternative Fueled Vehicles, (excludes AFV purchases or lease); conversion of regular vehicles to alternative fuels; source protection plans for safe drinking water; and other P2 efforts that do not fit in other categories.

**Other Pollution Prevention Non-Recurring:** This includes efforts to prepare and implement an acquisition strategy for Alternative Fueled Vehicles, (excludes AFV purchases or lease); conversion of regular vehicles to alternative fuels; emerging contaminants initiatives; and other P2 efforts that do not fit in other categories

**Overseas Clean-Up:** One-time costs associated with meeting clean-up requirements directed in the Overseas Environmental Baseline Guidance Document and/or Final Governing Standards. (These costs would be paid for with Environmental Restoration Account funds if inside the United States. Additionally, they are a non-add memo entry only and are a subset of the foreign costs reported in the Non-Recurring Compliance headings.)

**Permits & Fees:** Costs of environmental permits, licenses and fees to operate the Environmental Compliance program.

**Planning:** Nonrecurring costs to meet federally directed requirements in the National Environmental Policy Act.

**Pollution Prevention Recurring:** Ongoing costs for supplies, travel, data management, and recurring reporting

**RCRA C-Hazardous Waste:** Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.



**RCRA D-Solid Waste:** Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

**RCRA I-Underground Storage Tanks:** Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate.

**Safe Drinking Water Act:** Costs associated with this title are to be captured in Non-Recurring Compliance or Non-recurring Pollution Prevention, as appropriate. Compliance may be upgrading drinking water systems to meet environmental standards, e.g., backflow preventers. Pollution Prevention efforts may be well head protection efforts to prevent pollution of drinking water sources.

**Sampling, Analysis & Monitoring:** The recurring cost that satisfy such requirements in environmental permits.

**Threatened & Endangered Species:** Threatened and Endangered Species and habitat inventories; biological assessments, surveys, or habitat protection for a specific listed species; mitigation to meet existing biological opinions/written agreements, including INRMPs; developing Endangered Species Management Plans.

**Waste Disposal:** The disposal of Federal and State regulated hazardous waste and disposal of excess depleting substances in the DLA stockpile. Include only those costs associated with packaging for transportation, treatment/disposal of hazardous waste and other special services that are paid for through a Hazardous Waste Disposal Vehicle (either through a Defense Reutilization and Marketing Service or directly). Do not include in-house costs such as manpower, supplies, or equipment purchase/maintenance

**Wetlands:** Inventory and delineation of wetlands; wetlands mitigation to meet permit conditions/written agreements; as well as enhancements to meet Executive Order 11990 provision for "no net loss".

**TreasuryCode:** Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values is located on the PDR Info page of the SNaP website (<https://SNaP.PAE.OSD.MIL>).

**ProgramElement:** The Program Element is a primary data element in the Future Years Defense Program (FYDP) and generally represents aggregations of organizational entities and related resources. The PE is up to ten-digits in length, a seven-digit numeric identifier followed by up to three-digits alphanumeric code for FYDP organizations.

#### Business Rules

#### *Data Matrix: EnvironmentalActivityCostType, EnvironmentalCosts Relationship*

<b>EnvironmentalActivityCostType</b>	<b>EnvironmentalCosts</b>
Compliance Recurring	Manpower
	Education & Training
	<a href="#">Environmental Management Systems</a>
	Permits & Fees
	Sampling, Analysis & Monitoring
	Waste Disposal
	Other Compliance Recurring
	RCRA C-Hazardous Waste
Compliance Non-Recurring	RCRA D-Solid Waste
	RCRA I-Underground Storage Tanks
	Clean Air Act
	Clean Water Act

EnvironmentalActivityCostType	EnvironmentalCosts
	Environmental Management Systems
	Planning
	Safe Drinking Water Act
	Other Compliance Non-Recurring
	Overseas Clean-Up
Pollution Prevention Recurring	Pollution Prevention Recurring
	Environmental Management Systems
	Manpower
	Education & Training
Pollution Prevention Non-Recurring	RCRA C-Hazardous Waste
	RCRA D-Solid Waste
	Clean Air Act
	Clean Water Act
	Environmental Management Systems
	Hazardous Material Reduction
	Safe Drinking Water Act
	Other Pollution Prevention Non-Recurring
Conservation Recurring	Conservation Recurring
	Manpower
	Education and Training
Conservation Non-Recurring	Threatened & Endangered Species
	Wetlands
	Other Natural Resources Non-Recurring
	Historical & Cultural Resources

**Subject Matter Experts:** Questions regarding this data requirement should be directed to **Trish Huheey 703-604-1846** and **Mr. Shah Choudhury, 703-571-9067**.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 EXT #107 OR #108.

## PB28 A Environmental Technology

Class	TreasuryCode	BACode	EnvironmentalProgram	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
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**Instructions**

- 1) Provide total costs by appropriation and Environmental Program (i.e., Cleanup, Pollution Prevention, Compliance, Conservation, and Unexploded Ordnance) associated with the Environmental Technology Program.
- 2) Separately identify appropriation amounts by the budget activity code (BA1, BA2, etc) for each Environmental Program.
- 3) Provide explanatory narrative in word document explaining program changes between fiscal years by environmental program.
- 4) OSD will separately identify SERDP and ESTCP amounts and the Military Departments are not to include these amounts in their program.
- 5) See Appendix A for reporting requirements for your organization.

**Definitions**

**Class:** System Field: Classification

***C:*** CONFIDENTIAL

***C/NF:*** CONFIDENTIAL//NOFORN

***F:*** FOR OFFICIAL USE ONLY

***S:*** SECRET

***S/NF:*** SECRET//NOFORN

***U:*** UNCLASSIFIED

**TreasuryCode:** Treasury Code is a defined set of four-to-six digit numeric codes from the Comptroller that identifies resource types. The list of Treasury Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents". (<https://SNaP.PAE.OSD.MIL>).

***3400:***

***1319:***

***3020:***

***3010:***

***0400:***

***2040:***

***3600:***

**BACode:** Budget Activity is a two-digit identifier for the categories within each appropriation and fund account to identify the purposes, projects, or types of activities financed by the appropriation fund. The list of BA Code values can be found on the SNaP web site website by clicking the "Instructions" tab, then selecting the "Documents" item. (<https://SNaP.PAE.OSD.MIL>).

***05:***

***04:***

***03:***

***02:***

***20:***

***01:***

***07:***

***06:***

**Environmental Program:** Environmental Technology Programs

***Cleanup:*** Cleanup is as defined in DODI 4715.7 of April 22, 1996. Include funding for innovative environmental technologies that improve the restoration process.

***Compliance:*** Compliance is as defined in DODI 4715.6, of April 24, 1996, Environmental Compliance. Include funding for innovative environmental technologies that improve Compliance.

***Conservation:*** Conservation is as defined in DODI 4715.4, of May 3, 1996, Environmental Conservation Program. Include funding for innovative environmental technologies that enhance the protection of natural and cultural resources, thereby sustaining mission readiness.

***Pollution Prevention:*** Pollution Prevention is as defined in DODI 4715.4, of June 18, 1996, Pollution Prevention. Include funding for innovative environmental technologies that reduce or eliminate pollution.

***Unexploded Ordnance:*** Unexploded ordnance (UXO) is as defined in 10U.S.C. 101(e)(5). Include funding for innovative environmental technologies that improve the UXO screening, detection, discrimination and recovery process.

***Business Rules***

***Subject Matter Experts:*** Questions regarding this data requirement should be directed to **Ms. Trish Huheey, 703-604-1846** and **Mr. Shah Choudhury, 703-571-9067**.

***Technical Issues:*** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

## PB 28B Munitions Response at Operational Ranges

Class	Component	RangeLocation	RangePrograms	RangeManagementActivities	RangeResourceDetail	FY2006	FY2007	FY2008	FY2009	FY2010
FY2011	FY2012	FY2013								

Instructions

- 1) Report Range and Resource Detail for all operational test and training ranges to include active and inactive ranges as defined in Title 10USC, Section 101(e) (as revised by FY04 NDAA, Sec 1042).
- 2) For the Range Program -- Range inventory, report the following range detail—Number (#) of Ranges, Number (#) of Acres (Land Ranges), Number (#) of Square Miles (Water Ranges). Number (#) of Ranges with Environmental Range Assessments and Number (#) of Acres with Environmental Range Assessments (Land ranges), and Number (#) of Square Miles with Environmental Range Assessments (Water ranges).
- 3) The total number of Ranges Assessed cannot exceed the total number of Ranges. The total number of Acres Assessed cannot exceed the total number of Acres.
- 4) Enter the cumulative number of Ranges and Acres that either have been assessed or will be assessed by the end of each fiscal year shown.
- 5) Military Departments by Component and appropriate Defense Agencies report ranges in Acres and funds in \$Thousands
- 6) Provide narrative in a Microsoft Word document that describes program changes and unfunded requirements.
- 7) This document is non-additive to the amounts displayed in Exhibit PB-28 Funds Budgeted for Environmental Quality. It displays the environmental funds dedicated to sustaining ranges, but does not remove them from reporting under PB28.
- 8) The intent of this exhibit is to capture and display the identifiable environmental investments in Operational ranges, as part of the Training Range Sustainment Plan called for in Section 366 of the FY 2003 National Defense Authorization Act. 7)

Definitions**Class:** System Field: Classification**C:** CONFIDENTIAL**C/NF:** CONFIDENTIAL//NOFORN**F:** FOR OFFICIAL USE ONLY**S:** SECRET**S/NF:** SECRET//NOFORN**U:** UNCLASSIFIED**Component:** Military Departments report by Active, Guard and Reserve. Defense Agencies choose Defense Agency.**Active:****DADW:** Defense Area Defense Wide. Used by non-service defense agencies.**Guard:****Reserve:****RangeLocation:****Domestic:** United States, District of Columbia, and U.S. Territories.**Foreign:** All areas outside Domestic.**RangePrograms:****Range Assessments:** Any assessment to determine the extent of environmental effects due to operational range activities.**Range Inventory:** Number and size of ranges total and those surveyed.

**Range Response Actions:** Actions to remediate munitions constituents or other contaminants that will have a deleterious effects on human health or the environment.

**Range Sustainment Actions:** Environmental Sustainment actions taken to preserve ranges over their perpetual life.

**Range Management Activities:**

**All Environmental Range Response Actions:** Any and all one-time actions to address the removal of munitions constituents or other environmental contamination on ranges, or to prevent release off of an operational range, including the design and implementation of response action. (Do not include cleanup actions covered under the Environmental Restoration Accounts – report these on Exhibit ENV 30).

**Environmental Range Assessments:** Any environmental assessment to determine the extent of environmental effects due to training and testing range activities, including any sampling, monitoring or analysis involved in the effort.

**Integrated Natural Resource Management Plans:** (including Sikes Act requirements) Identify any natural resource planning costs (including Integrated Natural Resource Management Plan (INRMP) costs) required to address Sustainment of operational ranges, including projects called for in signed INRMPs.

**Land Ranges:**

**Other Range Assessment Costs:** Any other assessment costs necessary to determine and document the extent of environmental effects of operational range activities

**Other Sustainment Actions:** Any other assessment costs necessary to determine and document the extent of environmental effects of operational range activities.

**Water Ranges:**

**Range Resource Detail:**

**# Acres with Environmental Range Assessments:** The total number of acres on ranges where environmental range assessments have occurred or will occur in the future by fiscal year.

**# of Acres:** The total number of acres on the operational ranges, as defined in 10USC, Section 101(e).

**# of Ranges:** The total number of operational ranges under the jurisdiction, custody or control of the Component. Includes all designated land and water areas set aside, managed and used for range activities.

**# of Square Miles:**

**# Ranges with Environmental Range Assessments:** The total number of operational ranges where Environmental Range Assessments have or will occur, by fiscal year.

**DWCF:**

**MilCon:**

**MilPers:**

**O&M:**

**Proc:**

**RDT&E:**

***Business Rules***

- 1) *MilCon is not an accepted resource type for the Range Program--Range Management.*
- 2) *Number of Ranges and Acres are reported with an Activity of Physical Detail and Range Program of Range Inventory only.*

Data Matrix: RANGE PROGRAMS, RANGE MANAGEMENT ACTIVITIES, RANGE RESOURCE DETAIL Relationship

RANGE PROGRAMS	RANGE MANAGEMENT ACTIVITIES	RANGE RESOURCE DETAIL
Range Inventory	Land Ranges	# of Ranges
		# of Acres
		# Ranges with Environmental Range Assessments
		# Acres with Environmental Range Assessments
	Water Ranges	# of Ranges
Range Assessments	Environmental Range Assessments	# of Square Miles
		O&M
		RDT&E
		Proc
		DWCF
		MilPers
	Other Range Assessment Costs	O&M
		RDT&E
		Proc
		DWCF
		MilPers
Range Response Actions	All Environmental Range Response Actions	O&M
		MilCon
		DWCF
		RDT&E
		Proc
		MilPers
Range Sustainment Actions	Integrated Natural Resource Management Plans	O&M
		MilCon
		RDT&E
		Proc
		DWCF
		MilPers
	Other Sustainment Actions	O&M
		RDT&E
		Proc
		DWCF
		MilPers
		MilCon

**Subject Matter Experts:** Questions regarding this data requirement should be directed to **Ms. Trish Huheey, 703-604-1846** and **Mr. Shah Choudhury**.

**Technical Issues:** If you are having difficulty with the data collection system—SNaP, contact the SNaP administrators via the SIRS button at the SNaP web site: <https://snap.pae.osd.mil> or call (703) 601-4860 ext #107 or #108.

Exhibit PB-28 Funds Budgeted for Environmental Quality

**PB 28 Exhibit Display**  
**DEPARTMENT OF \_\_\_\_\_**  
**SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS**  
**FY \_\_\_\_ BUDGET ESTIMATE**  
**(\$ in Thousands)**

<u>Environmental Quality</u>	<u>PY</u> <u>Actual</u>	<u>CY</u> <u>Estimate</u>	<u>BY1</u> <u>Estimate</u>	<u>BY2</u> <u>Estimate</u>	<u>Change</u> <u>CY/BY1</u>	<u>Change</u> <u>BY1/BY2</u>
<b>Appropriation:</b> _____						
<b>Inside the United States and Territories _____ or Outside the U.S. and Territories _____</b>						
<b>1. Environmental Compliance - Recurring Costs (Class 0)</b>	(Enter Total of a + b + c + d + e + f)					
a. Manpower						
b. Education & Training						
c. Permits & Fees						
d. Sampling, Analysis, Monitoring						
e. Waste Disposal						
f. Other Recurring Compliance Costs						
<b>3. Environmental Pollution Prevention - Recurring Costs (Class 0)</b>	(Enter Total of a + b + c)					
a. Manpower						
b. Education & Training						
c. Other Recurring Pollution Prevention Costs						
<b>4. Environmental Conservation - Recurring Costs (Class 0)</b>	(Enter Total of a + b + c)					
a. Manpower						
b. Education & Training						
c. Other Recurring Conservation Costs						
<b>Total Recurring Costs</b>	(Enter Total of 1+2+3+4)					
 <b>5. Environmental Compliance - Nonrecurring (Class I/II)</b>						
a. RCRA Subtitle C - Hazardous Waste						
b. RCRA Subtitle D - Solid Waste						
c. RCRA Subtitle I - Underground Storage Tanks						
d. Clean Air Act						

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

**PB 28 Exhibit Display**



DEPARTMENT OF \_\_\_\_\_  
SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS  
FY \_\_\_\_ BUDGET ESTIMATE  
(\$ in Thousands)

	<u>PY</u> <u>Actual</u>	<u>CY</u> <u>Estimate</u>	<u>BY1</u> <u>Estimate</u>	<u>BY2</u> <u>Estimate</u>	<u>Change</u> <u>CY/BY1</u>	<u>Change</u> <u>BY1/BY2</u>
e. Clean Water Act						
f. Safe Drinking Water Act						
g. Planning						
h. Other						
<b>Total Nonrecurring (Class I/II)</b>						
<b>6. Pollution Prevention - Nonrecurring (Class I/II)</b>						
a. RCRA Subtitle C - Hazardous Waste						
b. RCRA Subtitle D - Solid Waste						
c. Clean Air Act						
d. Clean Water Act						
e. Hazardous Material Reduction						
f. Other						
<b>Total Nonrecurring (Class I/II)</b>						
<b>7. Environmental Conservation - Nonrecurring Costs - (Class I/II)</b>						
a. T&E Species						
b. Wetlands						
c. Other Natural Resources						
d. Historical & Cultural Resources						
<b>Total Nonrecurring (Class I/II)</b>						
<b>GRAND TOTAL ENVIRONMENTAL QUALITY</b>						

Exhibit PB-28 Funds Budgeted for Environmental Quality (Continued)

**Environmental Cleanup Program Outside the United States**

(Memo entry for overseas cleanup amounts included above) (The amounts entered in this item shall not include any of the 50 states, District of Columbia, Guam, Puerto Rico, or other territories and possessions of the U. S.)

**All Funds Budgeted for Environmental Security Technology are to be reported on PB 28A.**

Exhibit PB 28A - Display SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS

Exhibit PB 28A - Display

**DEPARTMENT OF \_\_\_\_\_**  
**SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS**  
**FY \_\_\_\_ BUDGET ESTIMATE**

Environmental Security Technology <u>By Appropriation</u>	(\$ in Thousands)					Change <u>CY/BY1</u>	Change <u>BY1/BY2</u>
	<u>PY</u> <u>Actual</u>	<u>CY</u> <u>Estimate</u>	<u>BY1</u> <u>Estimate</u>	<u>BY2</u> <u>Estimate</u>			
1. Cleanup							
2. Compliance							
3. Pollution Prevention							
4. Conservation							
<b>TOTAL</b>							

1. Provide a summary sheet of all appropriations/funds.
2. Provide narrative justification for changes from year to year
3. For each appropriation, include applicable breakout categories. For example, for activities funded by RDT&E appropriations, separately identify the amounts for each budget activity (BA):  
BA1 - Basic Research, BA2 – Advanced Research, BA3 - Advanced Technology Development, BA4 - Demonstration/Validation,  
BA5 – Engineering and Manufacturing Development, BA6 - RDT&E Management Support, and BA7 - Operational Systems Development.

Exhibit PB-28A Funds Budgeted for Environmental Security Technology  
(Page 1 of 1)

Exhibit PB 28B - Operational Range Sustainment and Environmental Management

**Display Example:**

**DEPARTMENT OF \_\_\_\_\_**  
**SUMMARY OF FUNDS BUDGETED FOR ENVIRONMENTAL PROJECTS**  
**FY \_\_\_\_ BUDGET ESTIMATE**

	(\$ in Thousands)					
- Operational Range Sustainment and Environmental Management	<u>PY</u>	<u>CY</u>	<u>BY1</u>	<u>BY2</u>	<u>Change</u>	<u>Change</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>CY/BY1</u>	<u>BY1/BY2</u>
<b>Range Inventory</b>						
<i>Land Ranges</i>						
Number of Ranges	#	#	#	#	#	#
Number of Acres	#	#	#	#	#	#
Number of Ranges with Environmental Range Assessments	#	#	#	#	#	#
Number of Acres with Environmental Range Assessments	#	#	#	#	#	#
<i>Water Ranges</i>						
Number of Ranges	#	#	#	#	#	#
Number of Square Miles	#	#	#	#	#	#
<b>Range Assessments</b>						
Environmental Range Assessments	\$	\$	\$	\$	\$	\$
Other Range Assessment Costs	\$	\$	\$	\$	\$	\$
<b>Total Range Assessments</b>	\$	\$	\$	\$	\$	\$
<b>Range Response Actions</b>						
All Environmental Range Response Actions	\$	\$	\$	\$	\$	\$
<b>Total Range Response Actions</b>	\$	\$	\$	\$	\$	\$
<b>Range Sustainment Actions</b>						
<b>Integrated Natural Resource Management Plans</b>	\$	\$	\$	\$	\$	\$
<b>Other Sustainment Actions</b>	\$	\$	\$	\$	\$	\$
<b>Total Range Sustainment</b>	\$	\$	\$	\$	\$	\$
<b>Grand TOTAL</b>	\$	\$	\$	\$	\$	\$

Operational Range Sustainment and Environmental Management (Page 1 of 1)

Exhibit PB-41 Administrative Motor Vehicle Operations

**ADMINISTRATIVE MOTOR VEHICLE OPERATIONS (PB-41)**

(Name of Component)

(Dollar in Thousands)

<u>Cost Category</u>	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>	<u>CY-BY1 Change</u>	<u>BY1-BY2 Change</u>
1. Operating Costs for Non-Tactical Fleets						
2. Accident Damage (Net loss to Government)						
3. Vehicle Procurement Costs						
4. Commercial Leases						
5. Interagency Fleet Management System (IFMS) Leases						
6. Disposal Costs						
7. Capital Expenditures for Facilities and Equipment						
8. Privately Operated Vehicles (used for official business)						
<b>Total</b>						

**Distribution by Appropriation/Fund**

(Identify the amounts included above by appropriation and fund.)

**Total**

**BACKGROUND:** Public Law 99-272, "Consolidated Omnibus Budget Reconciliation Act" of 1985, Subtitle C - Federal Motor Vehicle Expenditure Control of requires that each Federal Agency establish and operate a central monitoring system for motor vehicle costs and establish a data collection system and to report such data in support of the President's budget. Guidance as to the definition and coverage of this requirement is provided by the General Services Administration in Federal Property Regulations. The vehicles used for military training, combat or tactical purposes are specifically excluded.

**PREPARATION REQUIREMENTS:** Every Component of the Department is required to complete a PB-41 Motor Vehicle Operations Exhibit. Negative replies are required. These will be used by the Office of the Under Secretary of Defense (Comptroller), Operations Directorate, 3C710 Pentagon, to prepare a consolidated exhibit, which will be provided to the Office of Management and Budget as required by OMB Circular A-11 (Section 100 – Additional Information Required After Passback). In order to meet the OMB schedule and include this information in the printed President's budget request, the PB-41 exhibit for the Congressional Justification/Presentation must be submitted by **January 5<sup>th</sup>**. Include in the lower right hand corner, the date of preparation, and the name and telephone number of an individual responsible for answering questions concerning the submission.

Exhibit PB-41 Administrative Motor Vehicle Operations

Exhibit PB-42 Competitive Sourcing and Alternatives

**DoD Component**  
**FY BY1/BY2 OSD Submit/President's Budget**  
**Competitive Sourcing and Alternatives**

**Instructions:** Each Service and Defense Agency/Activity is to submit this exhibit in Select & Native Programming Data Input System (SNaP) located at <https://snap.pae.osd.mil>. The most current version of this exhibit will be available at this site. Once loaded the data will be available in the Operations & Support Data Center. Program/Budget data displays will be produced through the Data Center. Questions about the SNaP interface should be referred to the Office of the Director (Program Analysis & Evaluation) Programming and Fiscal Economics Division (703) 697-0223.

The exhibit is composed of three parts. Part I displays costs and savings associated with A-76 studies. Part II displays the same information for Approved Alternatives. Part III summarizes Parts I and II, presenting the total Competitive Sourcing and Alternatives savings generated by both A-76 and non A-76 initiatives. Part III will be calculated automatically from SNaP, so there is no need to enter summary data. Dollars and manpower are presented by appropriation throughout. Dollars are reported in thousands with all numbers as positive numbers (costs and savings). Manpower savings are reported as end strength (ES) for military and reserve personnel and Full Time Equivalents (FTEs) for civilian personnel.

**PART I**

**STUDIES:** Report baseline manpower and dollars for all studies started (in the one PY reflected on the budget exhibit) and scheduled (CY, BY1, etc.) for competitive sourcing. Each activity should be reported in the year that the study is scheduled to be initiated. The annual cost of positions studied (total estimated compensation) should be reported even if you plan to outsource during the fiscal year. Report positions studied and cost by appropriation (e.g., O&M, Revolving Funds).

**COST TO CONDUCT STUDIES:** The cost to conduct studies is the cost associated with conducting the competitive sourcing study. The costs should reflect actual costs in the PY and the amounts budgeted in the other years to conduct the studies. In the narrative description section, discuss the methodology used to develop study costs and provide justification for significant deviations from the nominal average of \$5,000 per FTE. Costs should be reported by appropriation.

**TRANSITION COSTS:** Report costs of transition to Most Efficient Organization (MEO) or contract. Such costs include severance pay, Voluntary Separation Incentive Pay (VSIP), etc. In the narrative section, discuss the assumptions used to determine transition costs including the categories of cost included.

**MANPOWER SAVINGS:** For military and civilian manpower reflect net savings for that year (not cumulative).

**GROSS DOLLAR SAVINGS:** Gross dollar savings should reflect total compensation associated with billets saved in that fiscal year (not cumulative). Gross savings should not be offset by the cost of studies or transition costs. In the narrative description, include a discussion of the methodology used to develop both manpower and dollar savings.

Exhibit PB-42 Competitive Sourcing and Alternatives (Continued)

**NET DOLLAR SAVINGS:** *Net savings are equal to gross savings, offset by the Cost to Conduct Studies and Transition Costs. [Note: Net Dollar Savings will be calculated automatically by SNaP, so there is no need to enter data for this section.]*

**PART II**

*Same as above for all categories except Studies should reflect the information by Alternative. Each Alternative must be approved by OSD(AT&L) Housing and Competitive Sourcing.*

**PART III**

*Summarizes all categories.[Note: The summary will be calculated automatically by SNaP, so there is no need to enter data for this section.]*

Exhibit PB-42 Competitive Sourcing and Alternatives  
(Page 1 of 3)

Exhibit PB-42 Competitive Sourcing and Alternatives (Continued)

*Part \_\_ of III*  
*(Part I – A-76 Studies, Part II – Non A-76 Studies, Part III – Total)*  
*(Direct Dollars in Thousands, Military End Strength, Civilian Full-Time Equivalents)*

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>	<u>FY BY2+1</u>	<u>FY BY2+2</u>	<u>FY BY2+3</u>	<u>FY BY2+4</u>	<u>TOTAL</u>
<u>PART I</u>									
<u>A-76 STUDIES</u>									
Total Positions Studied/To Be Studied									
Military									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Military									
Civilian									
Appropriation 3									
Appropriation 4, etc.									
Subtotal Civilians									
<b>Total Civilians and Military</b>									
Cost of Positions studied									
Appropriation 1									
Appropriation 2, etc.									
<b>Total Cost</b>									
<u>COST TO CONDUCT STUDIES</u>									
Appropriation 1									
Appropriation 2, etc.									
<b>Total Study Costs</b>									
<u>TRANSITION COSTS</u>									
Appropriation 1									
Appropriation 2, etc.									
<b>Total Transition Costs</b>									
<u>MANPOWER Savings</u>									
Military End Strength									
Appropriation 1									
Appropriation 2, etc.									
Subtotal Military									
Civilian Full-Time Equivalents									
Appropriation 1									
Appropriation 2, etc.									
<b>Subtotal Civilians</b>									



FY BY1/BY2 OSD Submit/President's Budget (Continued)

*Part \_\_ of III*  
*(Part I – A-76 Studies, Part II – Non A-76 Studies, Part III – Total Studies)*  
*(Direct Dollars in Thousands, Military End Strength, Civilian Full-Time Equivalents)*

GROSS DOLLAR SAVINGS

Appropriation 1

Appropriation 2, etc.

**Total Gross Dollar Savings**NET DOLLAR SAVINGS

Appropriation 1

Appropriation 2, etc.

**Total Net Dollar Savings****NARRATIVE:**

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs

DATE: \_\_\_\_\_

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,  
AND FAMILY ADVOCACY PROGRAMS****Identify Component**

(TOA, \$ in Millions)

FY PYFY CYFY BY1FY BY2**I. CHILD CARE PROGRAMS**(Child Development Program (CDP) & School Aged Care (SAC) Programs for children 0-12)**A. CHILD DEVELOPMENT CENTERS**Appropriation (Identify costs by appropriation (i.e., O&M, Mil Con, etc.) and total)Total Direct Costs <sup>1/</sup>Total Indirect Costs <sup>2/</sup>

Total (should include the expense elements in DoDI 7000.12)

Child Care Parent Fee RevenueNon-Appropriated Fund SubsidyWorkload

No. of Child Care Spaces (operational capacity)

Personnel

Civilian FTEs (Appropriated Fund Employees)

Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)

Total

**B. FAMILY CHILD CARE**Appropriation (Identify costs by appropriation and total)Personnel

Civilian FTEs (Appropriated Fund Employees Only)

Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)

Total

Workload

No. of Child Care Spaces (operational capacity)

**C. SUPPLEMENTAL PROGRAM SERVICES/RESOURCE & REFERRAL/OTHER**Appropriation (Identify costs by appropriation and total)Personnel

Civilian FTEs (Appropriated Fund Employees Only)

Nonappropriated Fund (NAF) FTEs funded thru uniform resources programs with Appropriated Funds (APF)

Total

Workload

No. of Child Care Spaces (operational capacity)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs

(Page 1 of 5)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs (Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,  
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
SCHOOL-AGE CARE (SAC)				

Appropriation (Identify costs by appropriation (i.e., O&M, Mil Con, etc.) and total)Total Direct Costs <sup>1/</sup>Total Indirect Costs <sup>2/</sup>

Total (should include the expense elements in DoDI 7000.12)

SAC Parent Fee RevenueNon-Appropriated Fund SubsidyPersonnel

Civilian FTEs (Appropriated Fund Employees)

Nonappropriated Fund (NAF) FTEs reimbursed with Appropriated Funds (APF)

Total

Workload

No. of SAC Spaces (operational capacity)

No. of SAC Care Spaces Required (100%)

% of Spaces to Required Spaces

TOTAL CHILD CARE PROGRAMAppropriationTotal Direct Costs <sup>1/</sup>Total Indirect Costs <sup>2/</sup>

Total (should include the expense elements in DoDI 7000.12)

Total Parent Fee Revenue

NAF Subsidy

Personnel

Civilian FTEs (Appropriated Fund Employees Only)

Workload

No. of Child Care Spaces (operational capacity)

No. of Child Care Spaces Required (100%)

% of actual Spaces to Required Spaces

Explanation of Changes: For each category, provide an explanation of the changes between current year (CY) and biennial budget year 1 (BY1) and between BY1 and biennial budget year 2 (BY2); identify price & program growth between each year.

<sup>1/</sup> Direct costs include those costs that can be directly attributed to the activity and include civilian pay and benefits, travel, training, supplies and equipment, contracts, FCC subsidy, etc.

<sup>2/</sup> Indirect cost includes costs that are attributed to more than one activity and include rents, utilities, communications, minor construction, repair and maintenance, contracts, and engineering support.

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs  
(Page 2 of 5)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs (Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,  
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

		(TOA, \$ in Millions)		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
<b><u>II. YOUTH PROGRAMS</u></b>				

Appropriation (Identify costs by appropriation (i.e. O&M, Mil Con, etc.) and total)

Total Direct Costs <sup>1/</sup>

Total Indirect Costs <sup>2/</sup>

Total (should include the expense elements in DoDI 7000.12)

Estimated Youth Fee Revenue

Non-Appropriated Fund Subsidy

Personnel

Civilian FTEs (Appropriated Fund Employees)

Nonappropriated Fund (NAF) FTEs reimbursed with Appropriated Funds (APF)

Total

Narrative: Explain changes between the CY and BY1 and between BY1 and BY 2. Identify price and program growth between each year.

**III. FAMILY CENTERS**

Appropriation (Identify costs by appropriation and total)

Personnel

Military (E/S)

Civilian FTEs

Workload (Excludes workload supported by OSD funds (i.e. Relocation, Transition, Family Advocacy). These are documented separately.

A. The number of single transactions which take approximately 10-15 minutes or less.

B. Cases (assessment/case management/counseling) which take longer than 10-15 minutes (each session is counted as one).

C. Number of people involved in command consultation (briefings, meetings, unit visits).

D1. Number of classes

D2. Number of participants in classes.

Narrative: Explain changes between the CY and BY1 and between BY1 and BY 2. Identify price and program growth between each year.

**IV. FAMILY ADVOCACY PROGRAM** (To be completed by the DoD Dependent Schools) (Services should not fill in unless they have funds separate from DoD Dependent Schools funding.)

CORE FAMILY ADVOCACY PROGRAM (Prevention, Direct Services, Training, Evaluation and Administration)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs (Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,  
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

		(TOA, \$ in Millions)		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
A.1. Prevention Services				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
<u>Workload</u>				
Number Served (Actual population contacts)				
Workload per Prevention Services Provider (Number Served divided by the Number (FTE) of Prevention Services Providers)				
A.2 Direct Services				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
<u>Workload</u>				
Number Served (Actual population contacts)				
Workload per Direct Services Staff				
A.3. Training, Evaluation, and Administration				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military (E/S)				
Civilian FTEs				
Contract Employees FTEs				
B. <u>NEW PARENT SUPPORT</u>				
<u>Appropriation</u> (Identify costs by appropriation and total)				
<u>Personnel</u>				
Military E/S				
Civilian FTEs				
Contract Employees FTEs				
<u>Workload</u>				
Number Served				

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs  
(Page 4 of 5)

Exhibit PB-50 Child Development, School Age Care (SAC), Family Centers, and Family Advocacy Programs (Continued)

**CHILD DEVELOPMENT, SCHOOL-AGE CARE, (SAC) FAMILY CENTERS,  
AND FAMILY ADVOCACY PROGRAMS**

Identify Component

		(TOA, \$ in Millions)		
	<u>FY PY</u>	<u>FY CY</u>	<u>FY BY1</u>	<u>FY BY2</u>
C. <u>YOUTH AT RISK</u>				

Appropriation (Identify costs by appropriation and total)

Personnel

Military E/S

Civilian FTEs

Contract Employees FTEs

Workload

Youth Served

TOTAL FAMILY ADVOCACY PROGRAM

Appropriation (by appropriation and total)

Personnel

Military E/S

Civilian FTEs

Contract Employees FTEs

Narrative: Explain changes between the CY and BY1 and between BY1 and BY2 at the total program level. Identify price and program growth between each year.



Exhibit PB-52A\_DoD Aeronautics Budget (Continued)

Instructions

Exhibit PB-52A\_DoD Aeronautics Budget

1. Purpose. This exhibit identifies research and development funding for Aeronautics programs. The data are used to prepare the overall DoD input into the annual President's Aeronautics and Space Report which is prepared by the Office of Management and Budget (OMB). A copy of the final report is available for information in the OUSD (Comptroller) Investment Directorate.

2. Submission.

a. Exhibit PB-52A should separately identify all RDT&E program elements providing funds in support of the development of systems, subsystems and components used in rotary and fixed wing aircraft.

b. Data are to be provided in millions of dollars, using 3 decimal points.

c. Submission of the required exhibit will be made in hard paper copy and in a DOS/Excel format.

d. The submission of the completed exhibits to the OUSD (Comptroller) is due no later than 15 working days after transmission of the President's budget to the Congress.

3. Entries.

Exhibit PB-52A (Aeronautics Programs)

a. Program Title. Insert the official program title as reflected in the R-1 budget exhibit.

b. Program Element Number. Insert the official 7-digit plus organization program element designator as reflected in the R-1 budget exhibit.

c. Budget Estimate. The completed exhibits are to reflect the estimated cost, as funded in the Future Years Defense Program (FYDP), by fiscal year for the period FY 20PY-2 through FY 20BY2 (the three prior years, the current year and the budget years). All amounts should be in then years (TY)



Exhibit PB-52B DoD Space Budget

**DoD Space Budget**  
**(Name of DoD Component)**

Purpose. This exhibit identifies all funding for Space programs. The data from the DoD exhibit is used to support a myriad of Space Budget Justification requirements including Congressional Space Budget Justification and the DoD input into the President's Aeronautics and Space Report which is prepared by the Office of Management and Budget (OMB). The data are also used to support congressional hearings on space programs and to fulfill other various information requests regarding space-related funding.

*The PB-52B Space Budget will be compiled by the OUSD (Comptroller), Investment Directorate using Service/Agency input into the OD, PA&E-maintained FYDP database.*

Exhibit PB-52B DoD Space Budget  
(Page 1 of 1)

Exhibit PB-53 Budgeted Military and Civilian Pay Raise Amounts

DEPARTMENT OF _____				
FY 20BY1/FY 20BY2 PRESIDENT'S BUDGET				
BUDGETED MILITARY AND CIVILIAN PAY RAISE AMOUNTS (\$ IN THOUSANDS)				
MILITARY PERSONNEL		<u>FY 20CY</u>	<u>FY 20BY1</u>	<u>FY 20BY2</u>
<u>Military Personnel</u> , Army, Navy, MC, Air Force				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
<u>Reserve Personnel</u> , Army, Navy, MC, Air Force				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
<u>National Guard Personnel</u> , Army, Air Force				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
TOTAL MILITARY PERSONNEL				
CIVILIAN PERSONNEL				
<u>Operations and Maintenance</u> , Army, Navy, MC, Air Force, Defense Agencies				
<u>Classified</u>				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
<u>Wage Board</u>				
CY	(Specify date and percentage of pay raise)			
BY1	(Specify date and percentage of pay raise)			
BY2	(Specify date and percentage of pay raise)			
Total				
<u>Foreign National</u>				
CY				
BY1				
BY2				
Total				
Total Operation and Maintenance				
<u>Research, Development, Test, and Evaluation (RDT&amp;E)</u> , Defense Working Capital Fund, Family Housing, etc.				
TOTAL CIVILIAN PERSONNEL				

Exhibit PB-53 Budgeted Military and Civilian Pay Raise Amounts

Exhibit PB-54 Civilian Personnel Hiring Plan

**CIVILIAN PERSONNEL HIRING PLAN**

COMPONENT \_\_\_\_\_

FY \_\_\_\_\_

APPROPRIATION: \_\_\_\_\_

<u>Month</u> a	<u>E/S Beginning</u> b	<u>Gains</u> c	<u>Separations</u>			<u>Total</u> g	<u>Net Change</u> h	<u>E/S Revised</u> i	<u>FTE</u> j
			<u>Attrition</u> d	<u>Retire</u> e	<u>RIF</u> f				
Oct									
Nov									
Dec									
Jan									
Feb	a	Month							
Mar	b	E/S Beginning							
Apr	c	Gains							
May		Separations							
Jun	d	Attrition							
Jul	e	Retire							
Aug	f	RIF							
Sep	g	Total							
Total	h	Net Change							
	i	E/S Revised							
	j	FTE							

The October, E/S Beginning (column b) is the same as the September E/S Revised (column i) of the previous fiscal year.

The September E/S Revised (column i) must match the end strength reported on other budget exhibits (OP-5, OP-8).

The Total annual FTE (total of column j) must match FTE reported on other budget exhibits (OP-5, OP-8).

This exhibit must be provided for the current year (FY CY) and the budget years (FY BY1 and FY BY2) for both the OSD/OMB Program and Budget Review Submission and for the President's budget submission.

Exhibit PB-54 Civilian Personnel Hiring Plan

Exhibit PB-55 INTERNATIONAL MILITARY HEADQUARTERS

**INTERNATIONAL MILITARY HEADQUARTERS**

FY PY Actual				FY CY Estimate				FY BY1 Estimate				FY BY2 Estimate			
Military	Total			Military	Total			Military	Total			Military	Total		
Avg	Civ	Total	Obligation	Avg	Civ	Total	Obligation	Avg	Civ	Total	Obligation	Avg	Civ	Total	Obligation
Strength	FTEs	Mpwr	(\$ 000)	Strength	FTEs	Mpwr	(\$ 000)	Strength	FTEs	Mpwr	(\$ 000)	Strength	FTEs	Mpwr	(\$ 000)

**INSTRUCTIONS**

**Category/Organization/Appropriation:** This exhibit will provide manpower, payroll, and non-labor cost data directly related to DoD personnel serving in the International Military Headquarters mission. Data will be displayed by appropriation/fund (including Military Personnel). A narrative explanation is required for all increases and decreases.

Manpower and TOA will be identified by appropriation or fund as displayed in the following example:

	FY BY1 Estimate			
	Military A/S	Civilian FTEs	Total Mpwr	Total Obl. (\$000)
<u>International Military Headquarters</u>	<u>1,225</u>	<u>256</u>	<u>1,481</u>	<u>89,517</u>
MPMC	255		255	15,600
MPN	970		970	59,031
OMN		256	256	14,886
(DIR)		(250)	(250)	(14,461)
(REIMB)		(6)	(6)	(425)

- Under "Total Obligations" TOA should be limited to costs directly in support of International Military headquarters and should not include operational elements of expense for programs centrally funded or managed at the headquarters but executed elsewhere in the Department.
- Under appropriation, manpower strengths and funds will be identified as direct or reimbursable.
- Revolving funds that support headquarters activities will be reflected in the same fashion as appropriated funds.
- A total summary by appropriation, as well as a grand total, will be provided.
- Classified data will be reported.
- National Guard and Reserve officers serving on active duty and performing duties described in 10 U.S.C. 10211 will be excluded from this exhibit.
- Attached an addendum to provide a listing of organizational acronyms and their meanings used in this exhibit.

POC: \_\_\_\_\_ Phone No. \_\_\_\_\_

Exhibit PB-55 International Military Headquarters  
(Page 1 of 1)

EXHIBIT PB-59 DoD Overseas Staffing Report

**DoD Overseas Staffing Report**

(Name of DoD Component, COCOM or Defense Agency)

Country: _____	Post: <sup>1/</sup> _____						
<b>Category:</b>	<b>FY PY</b>	<b>FY CY</b>	<b>FY BY1</b>	<b>FY BY2</b>	<b>FY BY3</b>	<b>FY BY4</b>	<b>FY BY5</b>
<b>Controlled Access Area (CAA) <sup>2/</sup></b>							
<b>U.S. Direct Hire</b>							
<b>U.S. Military Position</b>							
<b>Locally Engaged Staff</b>							
<b>Non-Controlled Access Area (Non-CAA) <sup>3/</sup></b>							
<b>U.S. Direct Hire</b>							
<b>U.S. Military Position</b>							
<b>Locally Engaged Staff</b>							
<b>Non-Office <sup>4/</sup></b>							
<b>U.S. Direct Hire</b>							
<b>U.S. Military Position</b>							
<b>Locally Engaged Staff</b>							
<b>Never Colocate <sup>5/</sup></b>							
<b>U.S. Direct Hire</b>							
<b>U.S. Military Position</b>							
<b>Locally Engaged Staff</b>							
<b>Total</b>							

1/ Identify Post (U.S. Embassy, U.S. Consulate or U.S. Mission)

2/ Controlled Access Area: Authorized office positions to work within an area authorized to handle classified information

3/ Non-Controlled Access Area: Authorized office positions that work outside the CAA area

4/ Non-Office: Authorized positions not assigned a desk, office or workstation (includes custodians, laborers, warehouse staff, drivers, etc.)

5/ Never-Colocate: Authorized positions that work in non-USG owned or leased facility or other non-mission facilities

## Instructions for Completing:

1. Report personnel assigned overseas under the Chief of Mission as of January 1<sup>st</sup> for the year reporting.
2. All COCOMs, Components and Defense Agencies that have personnel assigned overseas under the Chief of Mission must complete this exhibit
3. Defense Agencies will report military personnel assigned to their agency
4. Components (Army, Navy, Marine Corps and Air Force) will consolidate input reported by field units.
5. Marine Corps must identify Guard and Non-Guard totals

DATE PREPARED:

POC:

TELEPHONE:

EXHIBIT PB-59 DoD  
Overseas Staffing Report

## INSTRUCTIONS FOR PREPARATION OF PB-60

INSTRUCTIONS FOR PREPARATION OF PB-60

1. Services are required to submit this exhibit at the end item level for the selected pilot programs.
2. The PB-60 provides essential materiel readiness and sustainability information for justification of the OSD and President's budget estimates. The PB-60 metrics will incorporate all appropriations (i.e. Research and Development, Procurement, Operations and Maintenance) related to the specified end item.
3. "Materiel Availability" (MA) is a measure of the percentage of the total inventory of a system operationally capable of performing an assigned mission at a given time based on materiel condition. This can be expressed mathematically as the number of operational end items divided by the total population. Determining the optimum value for Materiel Availability requires a comprehensive analysis of the system and its planned use, including the planned operating environment, operating tempo, reliability alternatives, maintenance approaches, and supply chain solutions. Materiel Availability is primarily determined by system downtime, both planned and unplanned, requiring the early examination and determination of critical factors such as the total number of end items to be fielded and the major categories and drivers of system downtime. The Materiel Availability KPP (Key Performance Parameter) must include the total population of usable end items we have that is either functional or can be brought to functionality through maintenance/repair. The total life cycle timeframe, from placement into operational service through the planned end of service life, must be included. The service will express Materiel Availability on the exhibit as a number between 0 and 100. This metric should represent the average for the year that the entire population of systems is materially capable for operational use during the specified period (current year, budget year, budget year +1).

$$\text{Materiel Availability} = \frac{\text{Number of End Items Operational}}{\text{Total Population of End Items}}$$

4. "Materiel Reliability" is a measure of the probability that the system will perform without failure over a specific interval. Reliability must be sufficient to support the warfighting capability needed. Materiel Reliability is generally expressed in terms of a mean time between failure(s) (MTBF), and once operational, can be measured by dividing actual operating hours by the number of failures experienced during a specific interval. Reliability may initially be expressed as a desired failure-free interval that can be converted to MTBF for use as a KSA (Key System Attribute) (e.g. 95% probability of completing a 12 hour mission, free from mission-degrading failure; 90% probability of completing 5 sorties without failure, etc.). NOTE: Operating hours is operational hours and failure is not ready for issue. Single-shot systems and systems for which other units of measure are appropriate must provide supporting analysis and rationale. MTBF will be expressed on the exhibit as a numeric value representing time (hours) between failure during the specified period (current year, budget year, budget year +1, etc).

$$\text{Materiel Reliability} = \text{Mean Time Between Failure} = \frac{\text{Total Operating Hours}}{\text{Total Number of Failures}}$$

5. "Ownership Cost" provides balance to the sustainment solution by ensuring that the Operations and Support (O&S ) costs associated with materiel readiness are considered in making decisions. Use of the Cost Analysis Improvement Group's O&S Cost Estimating Structure will ensure consistency and proper capitalization of existing efforts in support of this KSA. Only the following cost elements are required for this assessment:

## INSTRUCTIONS FOR PREPARATION OF PB-60 (Continued)

INSTRUCTIONS FOR PREPARATION OF PB-60 (Continued)

2.0 Unit Operations (2.1.1 (only) Energy (fuel, petroleum, oil, lubricants, electricity)); 3.0 Maintenance (All); 4.0 Sustaining Support (All except 4.1, System Specific Training); and 5.0 Continuing System Improvements (All). Base fuel cost on the full burdened cost of fuel. Costs are to be included regardless of funding source. The KSA value should cover the planned lifecycle timeframe, consistent with the timeframe used in the Materiel Availability KPP. Sources of reference data, cost models, parametric cost estimating relationships and other estimating techniques or tools must be identified in supporting analysis. Programs must plan for maintaining the traceability of costs incurred to estimates. The planned approach to monitoring, collecting, and validating operating and support cost data to supporting the KSA must be provided. For the purpose of this exhibit, Ownership Cost needs to be divided into annual ownership cost (dollars) for the specified period (current year, budget year, budget year +1).

Ownership Cost = O&S costs\*

\* Using the CAIG O&S Cost Estimating Structure Selected cost elements:

2.0 Unit Operations (2.1.1 (only) Energy (Fuel, POL, Electricity))

3.0 Maintenance (All)

4.0 Sustaining Support (All except 4.1, System Specific Training)

5.0 Continuing System Improvements (All)

6. “Mean Downtime” (MDT) is the average Total Downtime required to restore an asset to its full operational capabilities. MDT includes the time from reporting an asset down to the asset being available to unit to operate. MDT includes administrative time of reporting, logistics and materials procurement, and lock-out/tag-out of equipment for repair or preventative maintenance events. Criteria for failure must be consistent with criteria used for Materiel Reliability. MDT will be expressed on the exhibit as a numeric value representing the average number of hours between failures during the specified period (current year, budget year, budget year +1).

Mean Down Time (MDT) =  $\frac{\text{Total Down Time for All Failures}}{\text{Total Number of Failures}}$

7. The metric sections of the exhibit must be populated with the sustainment goal for the associated metric in each fiscal year represented, the actual/projected metric based on the current budget submission in each fiscal year represented, and the associated data from which the metric is derived for each fiscal year represented (BSO must maintain traceability data for the Ownership Costs). The “Explanation” sections will provide, as necessary, what issues preclude reaching the sustainment goal including funding shortfalls by required year(s), appropriation, and line item/PE/SAG. The “Explanation” section should also be used to explain changes to metrics between submissions caused by external events, such as increased OPTEMPO, unplanned environment, etc.

EXHIBIT PB-60 Life Cycle Sustainment (Page 2 of 3)

## INSTRUCTIONS FOR PREPARATION OF PB-60 (Continued)

## CLASSIFICATION:

PB-60, Life Cycle Sustainment Exhibit			DATE:	
APPROPRIATION/BUDGET ACTIVITY	P-1/R-1 Line Item/PE	Weapon System Name		

Material Availability (MA)	Prior FY	Current FY	Budget Year	Budget Year +1
Number of End Items Operational				
Total Population of End Items				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Material Reliability	Prior FY	Current FY	Budget Year	Budget Year +1
Total Operating Hours				
Total Number of Failures				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Ownership Cost	Prior FY	Current FY	Budget Year	Budget Year +1
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

Mean Down Time (MDT)	Prior FY	Current FY	Budget Year	Budget Year +1
Total Down Time for All Failures				
Total Number of Failures				
Sustainment Goal				
*Actual/Projected				

Explanation (required if metric is less than goal): What precludes reaching the goal? (i.e. contractor availability, out of production parts, funding, etc) If funding is the issue, provide the amount required, by years(s)/appropriation/line item?

\* Based on current budget submission.